

One-off is still on

by CHRIS DUNKLEY

seems to cause more...
...the continued...
...single play...
...when it has been...
...some that it might...
...to abandon the genre...
...and turn entirely to...
...series, the chorus of...
...as always been very...
...and very loud.
...of relief, he heaved...
...Lambert was...
...head of drama at...
...television and declared...
...had no intention of...
...the single play. Every...
...BBC drama, except...
...the continued com...
...of the single play—now...
...the single play—now...
...usually in a warn...
...ingest it is only the...
...of such outside...
...which has prevented...
...single play away...
...ing its entire drama...
...ver to sloppy soap...
...ber at the National...
...there will be an...
...ch with the fact as...
...unique in the history...
...on and cinema: a two...
...of at least 27 single...
...made for British tele...
...ing the last 20 years...
...include such famous...
...The Rose Aftir, Up...
...ion, Stocker's Copper...
...be Nigel Barton plays...
...son was put together...
...fadden, the admirably...
...television officer of...
...William Archibald, who...
...he NIT's programme...
...the season—the...
...survival of the single...
...expensive in time and...
...in television schedules...
...to be taken for...
...and given the quality...
...and variety of material...
...ted here, the single...
...an achievement of...
...television that ought...
...e thrown away lightly...
...sense).
...true. Yet in my view...
...interesting aspect in...
...will be the...
...in the final afternoon...
...ur parts of John Hop...
...lquartet, Talking To A...
...a great many single...
...television, and would...
...dis...
...However, there are...
...ups that should be said...
...first, its disappearance...
...country seems (and to...
...always seemed) highly...
...second, the phrase...
...is an unfortunate...
...third, it is a danger...
...concentrating on the...
...the single play we shall...
...at least do too little to...
...the development of...
...a's own unique contribu...
...drama: the TV serial...
...not concerned here with...
...seasons when television...
...a convey to a huge and...
...attered audience the...
...sd works of the theatre...
...Messina's Play of the...
...or example, featuring

hopin and Lutoslawski

by PAUL GRIFFITHS

's From performance...
...Second Piano Con...
...by Garriek Ohlsson...
...BBC Symphony Orche...
...Andrew Davis...
...to the memory of...
...us Bachauer, who died...
...It was a worthy...
...lsson can trip through...
...and cascades of this...
...e case; one might ex...
...t from a past winner...
...pin competition. Less...
...anticipated, and very...
...were the strength and...
...of direction he brought...
...in seem no more than...
...display of virtuoso...
...For the most part he...
...this without any...
...access of power, here...
...was a brusque...
...the start of the third...
...which came as a...
...both of his approach...
...music. More gener...
...tained his effects by...
...the bass to sound...
...leary when that was...
...and by keeping an eye...
...he next turning in this...
...concerto.
...He also to think that...
...I trace some sort of...
...dition from Chopin to...
...ary composers, but...
...x is thin. Even the...
...in this concert, of...
...in work with Lutos...
...Funeral Music for...
...bestra did nothing to...
...one in drawing paral...
...the Lutoslawski piece...
...to a predecessor, that...
...is the most definitel...
...rian Bartok. Funeral...
...written in 1956 in

new season at
Grand Theatre,
Geneva

nd Théâtre in Geneva
cial place in the cul...
of the Swiss city and
season there opens on...
7, closing on June 28.

course of these ten...
e theatre will offer a...
e which will include...
Favard, a dance pre...
y the Ballet Company...
nd Théâtre, The Dom...
Faust by Berlioz, six...
ces by the Béjart...
eber's Freischütz, an...
or the end of the year...
Verdi's Don Carlos, a...
hic programme by the...
mpany of the Grand...
Mozart's Nozze de...
Biet's Carmen, Le...
des Dieux by Wagner...
e's La Bohème.



Galina Vishnevskaya as Lady Macbeth in the Scottish Opera production of "Macbeth" at this year's Edinburgh Festival



Mary Peach and Michael Bryant in "Can You Keep a Secret?"

Critics, conductors and composers

by ELIZABETH FORBES

Conversations with Cardus, by Robin Daniels. Gollancz, £5.95. 278 pages

This record of informal conversations between the author and Neville Cardus speaks with the authentic voice of the Guardian's late, great critic. Subjects discussed cover a wide range—music-hall, cricket, Cardus's years in Australia, his colleagues in Manchester, and every aspect of his craft as a writer. There are splendid anecdotes on musicians, including two Beecham stories: a woodland player new to the orchestra whose name was Ball elicited the remark "Ball? Oh, Ball. How very singular." The soprano soloist in a Messiah had studied the score for weeks, taking it to bed with her every night, was told, "I'm sure we shall have an immaculate conception." But the quality that suffuses the book, and all of Cardus's writings, is love: "the girls I would most thank the gods for a sense of humour and the capacity to love."

Toscanini by George R. Marek. Vision Press, £00.80. 298 pages.

Cardus tells a Toscanini story: William Primrose, the viola player, invited to supper with the maestro, looked forward to a first hand account of the premiere of Verdi's Otello; after gobbling his spaghetti without a word, Toscanini rushed to the television to watch his favourite sport—wrestling. In his biography George Marek duly chronicles this addiction to wrestling, in addition to the familiar outlines of the conductor's life and career. He describes Toscanini's occasionally violent behaviour at rehearsals, and is interesting on his relationships, personal and professional, with female singers—Storchio, Farrar, Lotte Lehmann.

But the book remains a superb social study of the man, affectionately, reverently written, that does not penetrate to the heart of the artist.

Delius, Portrait of a Cosmopolitan by Christopher Palmer. Duckworth, £9.50. 193 pages.

This book attempts to show the links that bound Delius to America, Scandinavia, Germany and France, as well as to England. The section on Norway and Grieg is of particular interest, but Florida and Duke Ellington, Germany and Nietzsche, Paris and the Scan-

dinavians, such as Strindberg and Munch, that he met there, are hand. Too much pedestrian part of the pattern. In the detail, plus musical analyses of chapter on England emphasis is as much on the influence Delius exerted over Bux and Warlock, and through Warlock, over Lambert and Walton, as on the inspiration he drew from the English countryside.

Harvergill Brian, the Man and his Music by Reginald Nettel. Dobson, £7.50. 215 pages.

Brian, composer of 12 symphonies, several operas and innumerable other works, many unperformed, died in 1972 at the age of 96, so this year marks his centenary. Reginald Nettel wrote a book during the second world war on Brian, called Obedience to Music, which forms the basis of the present life. Born in the Potteries, Brian was an Arnold Bennett kind of character, and is mentioned by name in one of Bennett's short stories. This (the growth of railways, steamships and other modern means of travel helped considerably, the composer in London, where a new schism—between pop and he lived at first in extreme classical—divided music and poverty and squalor, the society.



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WORLD TRADE NEWS

Japanese motor vehicle output breaks records

TOKYO, August 24

JAPAN'S vehicle production was a record 718,713 units in July, compared with the previous high of 709,028 in June, the Japan Automobile Manufacturers Association announced today.

July production was up 18.4 per cent from July, 1976, the association added, pointing out that vehicle production usually increases in July as makers step up output to build up inventories in preparation for an August slowdown for summer holidays.

The association said July output included 464,378 passenger cars, up 15.7 per cent from a year ago, 250,885 trucks (up 17.8 per cent), and 3,867 buses (up 15.1 per cent). Toyota Motor turned out 240,084 units in July (up 10.8 per cent), and Nissan Motor 205,454 (up 13.6 per cent).

Seddon trucks for Australia

By Terry Dodsworth Motor Industry Correspondent

SEDDON ATKINSON has won an \$800,000 order from its parent company, International Harvester, which wants to sell the British company's 400 series truck in Australia.

Seddon Atkinson already has a small number of outlets in Australia, where International Harvester, with 27 per cent of all truck registrations, is market leader. But the new marketing arrangement will provide International with a European-style heavy range, and will give Seddon Atkinson access to a much greater number of distribution points.

All the 52 vehicles that have been ordered so far will be series tractors, the range which has just taken the company to second place in U.K. heavy tractor registrations.

When they were introduced a year ago, these vehicles had already been designed to comply with Australian as well as EEC regulations. Since then they have undergone full evaluation at International Harvester's extensive research facilities in the U.S.

Brazil's Oriental aspirations

BY DAVID WHITE, BRAZIL CORRESPONDENT

PRESIDENT GEISEL of Brazil, confident of the success of his recent visits to Britain and France, next month makes his third sortie overseas, to Japan, in view of the important place Japan holds in Brazil's development plans. The trip would probably have been made a lot earlier, had not Japan's period of recession come close to running the relationship around.

Now with Japan's foreign trade booming, it looks as if Gen. Geisel will be able to bring back an economic package at least as impressive as the one he picked up in London in May.

After a year of dithering, Brazil hopes to tie up Japan's commitment to a project which will put the Brazilians into the league of major aluminium producers, and to secure long-term sales of important raw materials for Japanese industry. For Japanese exporters, the visit is also likely to bring contracts worth several hundred million dollars for transport projects.

The basis of Japan's foothold in Brazil is its expatriate community—at 700,000, or more the largest number of Japanese outside Japan. Some of these are now third generation immigrants, and many Brazilian "niseis" are well entrenched in the local bourgeoisie, accepted and well-liked.

The immigration of Japanese into Brazil has by now virtually dried up—there are more registered immigrants these days from the U.S. than there are from Japan—but the influx of people has been followed up even more spectacularly by the influx of capital. In the last three years, Japanese investment has overtaken that in Britain, Canada and Switzerland. Now estimated at \$11m, it takes third place behind the U.S. and West Germany, which have big motor and oil distribution interests.

The growth of the Japanese presence has outstripped even the highest rates of Brazilian economic expansion, although both have been in bad shape

Nicholas Colchester writes from Bonn: Ford and Opel were both able to increase their July sales of new cars despite a seven per cent fall in the West German total of cars registered in July compared with the same month in 1976. Among the importers British Leyland and Toyota also managed to step up their deliveries to customers.

The honour of being Germany's largest seller of cars was retained by Volkswagen/Audi, although its July registrations of 38,647 compared with 40,824 a year earlier.

Opel's figures bounded upwards from 25,355 to 30,500. Ford's registrations rose more gradually from 24,302 to 26,037. Everybody else's sales in July fell, except those of British Leyland and of Toyota. The British company boosted its registrations from 1,388 to 1,448, and Toyota from 1,067 to 1,300. The top importer remained Renault of France, despite a marked drop in July sales from 10,129 to 8,850.

A spokesman for the British Leyland importer said that the sales impulse had come from the success of a special Mini built in Belgium.

However, he also added that delivery performance from Britain had been better. One turn up for the book was the fact that British Leyland had won a competition, run by the magazine Auto, Motor and Sport, to see which car importer had the best supply of spare parts in West Germany.

Prices rose only slowly, and the second between 1974 and 1976, when they rose much faster. For the period as a whole, the fastest rising "price," says the survey, has been the cost of replacement. This cost has been measured as the difference between the used value of a 3-year-old model and the price of a new model of the same make and type.

New car prices of some Italian and British models have risen less sharply than those of French built models. This suggests that the recent depreciation of sterling and the lira against the franc has improved British/Italian price competitiveness.

Berlin fair this week

BY LESLIE COLTIT

BERLIN, August 24

EUROPE'S largest import fair specialising in products from developing countries opens on Thursday at the West Berlin fair grounds and runs to August 30.

The Overseas Import Fair is regarded as the leading European testing ground for the marketability of products from third world countries as well as a growing number of developed overseas countries such as Japan.

A spokesman for the Berlin

Fair organisers said he had been informed that a British fair to be held along these lines later this year would be a one-time event oriented towards British businessmen.

The fair has been given strong backing by the West German Government as a means of aiding developing countries to find an outlet for their products. Just over 1,000 companies selling goods from 57 countries are represented.

IN BRIEF
Danish order for U.K. group

The cryogenic systems division of Air Products has been awarded a £2.5m. contract for the supply of a 164-tonnes-per-day oxygen plant to the City of Copenhagen. The oxygen plant is to help reduce the pollution in the Ore Sund by providing oxygen for activated sludge treatment of waste water in a plant which is due to start operation in April, 1979. I. Kruger is engineering consultant to the City of Copenhagen for this project.

The contract is the first one received by Air Products in Europe to supply oxygen for a waste water treatment application. However, the company through its parent corporation, Air Products and Chemicals, of the U.S., has long-term experience in waste water treatment using oxygen.

● HOUSING starts in the U.S. rose by 23 per cent in the second quarter to 393,200 from 320,500 in the year-ago quarter. The figure, seasonally adjusted, shows an annual rate of 1.3m. units, unchanged from the first quarter rate.

● MALAYSIA is planning to establish a \$300m. liquefied natural gas plant to process offshore Sarawak, enabling Malaysia to export about 6m. tonnes of gas valued at about \$31.7bn. a year.

● AUSTRALIA and West Germany have signed an agreement to promote scientific and technological co-operation, and will carry out a joint feasibility study for setting up a large coal liquefaction plant in Australia. The plant would produce petrol and basic chemicals from coal.

● WESTINGHOUSE Electric has received a \$12m. contract from the Trinidad and Tobago Electricity Commission to supply an 88,000 kilowatt gas-turbine power plant. It is scheduled for commercial operation next July.

● AN IRAQI delegation is reportedly going to Moscow next month to discuss Soviet participation in construction of a number of dams, including at least 250m. dinars (\$842m.).

● SVBIA has obtained loans totalling 255m. Rial (about \$78m.) from the Saudi Development Fund to finance the expansion of two ports, the construction of a highway and a military hospital.

EUROPEAN NEWS

Demand falls in German investment goods sector

BY NICHOLAS COLCHESTER

BONN, August 24

THE LATEST Ifo survey of the mood in West German industry is a setback for the Government of Chancellor Helmut Schmidt as it campaigns for the October elections gets upstream.

The Munich institute's findings for July are predominantly disappointing. The bright spots are export demand, industrial profitability, and faint signs that the German consumer may be shaking off his reticence of recent months.

The expansion of demand has lost a considerable amount of momentum, says the Ifo economists, and comment that "the development of internal demand, and particularly of demand for capital goods, has been without doubt disappointing over the last few months."

They claim that the volume of orders won by industry in the second quarter was, seasonally adjusted, rather below that for the first quarter. Export orders,

on the other hand, were up by a real five per cent from quarter to quarter.

Ifo's comments on the investment sector are particularly disillusioning, first because this is the area where firms must catch up with the general tone suggested by the general tone suggested by heightened expectations that is being registered here.

Nevertheless, the Ifo economists feel moved to answer the question: "Has the German upturn come to an end?" They think not.

They think that export demand, and a pick-up in consumer demand (of which the retail trade sees no sign) will continue the improvement in use of capacity. In what is virtually a statement of faith, they add that company profitability is improving and that the "conditions are therefore right to see that the cyclical upturn continues after this breathing space."

French drought aid sparks row

BY RUPERT CORNWELL

PARIS, August 24

THE PROBLEM of financing emergency aid for France's drought-stricken farmers has provoked a fresh dispute over the unfairness of the country's tax system, that bodes ill for the Government's hopes of introducing some kind of wage controls this autumn.

The first indication of what the authorities are planning will come at to-morrow's weekly Cabinet meeting. It is probable that interim assistance of perhaps Fr.2bn. (\$220m.) will be announced, compared with total damage from the drought that is now put at some Fr.7bn. (\$770m.).

However, the new dispute has

been sparked by a carefully-timed leak that the Finance Ministry was studying a possible exceptional levy on higher incomes to meet the bill. A cut-off point of Fr.500 per month (equivalent to £5,600 per annum) has been mentioned.

On the face of it this would appear to be a shrewd idea, as proof that in its efforts to control wage inflation the Government would tackle social inequality as well by leaning hardest on the higher paid. It would also fit in with the proclaimed goal of a balanced 1977 budget, which uncovered outlays to farmers would make much more difficult to achieve.

But if President Giscard

d'Estaing, who has taken the drought problem personally in hand, was hoping that the scheme would soothe union hostility to anything which looked remotely like an incomes policy, he has been disappointed. Refusing to be sidetracked, representatives from most major unions have come out against the idea—and not only because they see it as a camouflage for the threatened incomes policy.

Their highest grievance is that, as usual, the self-employed, would, under France's declaration-tax-system, escape lightly. The burden of "national solidarity" would thus fall on wage earners whose ability to evade taxes is much less.

Spain bows to air go-slow

THE Spanish Air Ministry yesterday conceded demands for better equipment from disgruntled air traffic controllers whose go-slow has disrupted flights and stranded thousands of holidaymakers. Reuter reports from Madrid.

The reaction of the controllers was not immediately known. An Air Ministry spokesman said the controllers would not be drafted into the army—a strike-breaking tactic used against postmen and railworkers last January.

Flights were still up to two hours late yesterday after chaos during the week-end peak period for chartered flights into Spain's beach resorts and holiday islands.

Aegean survey ship returns to Turkey

The third phase of Turkey's oil exploration programme in the Aegean ended this morning when the state survey vessel, Sismik 1 Hora, returned to Izmir for a week's maintenance work. Main thrust of the survey has been at sea for five days, taking soundings in the vicinity of the Greek islands of Chios and Samos.

Oil soundings have now been taken over roughly half of the Aegean from north to south. The Hora will be programmed to go on three other expeditions.

Juliana resumes holiday

BY MICHAEL VAN OS

AMSTERDAM, August 24

QUEEN JULIANA of the Netherlands, and her husband, Prince Bernhard, this morning returned to their holiday resort in Porto Ercole, Italy, to resume their holiday there after their second one-day visit to Holland. They had held discussions with the Government on the recently-completed inquiry into Lockheed payments allegations involving Prince Bernhard.

Their decision to return to Italy today after an 18-hour stay in Holland came as a surprise. It was generally believed that the royal family had ended its holiday early last week as a result of the report. They had originally planned to stay in Italy until the end of this month and it is not now known when they will return.

Reports from The Hague suggest to-day that the Queen's surprise return has been designed to minimise speculation about any immediate abdication. This was fuelled recently by the announcement that she had decided to rent a small castle near Apeldoorn to put up foreign visitors.

On both visits to the Netherlands in the past week, the Royal Family was seen to have been in contact with Premier Joop den Uyl. It is understood that yes-

terday the Premier informed the Queen of the discussions within the Cabinet over this week on the so-called Donner report.

As reported earlier, the Dutch Government has pledged to submit the Donner report to Parliament as well as the conclusions based on it within the next week or so.

However, there is still uncertainty about whether the full report, containing information supplied by official U.S. sources, will be included.

The Government has also reserved the right to decide "in what form" the report must be published. This was later explained as referring to matters involving personal privacy and the protection of sources of information.

Agreement with the U.S. Justice Ministry on the release of all U.S. information is still being negotiated, though the Dutch Government said that "broad agreement" had already been reached on the matter.

Although all official sources in The Hague remain tight-lipped on the outcome of the Donner inquiry, well-informed sources close to the Cabinet are still firmly saying that the report will probably not produce conclusive evidence either way as to Prince Bernhard's involvement in payments from Lockheed.

POTTEEN'S REVIVAL IN IRELAND

The cost of getting the flavour

BY GILES MERRITT IN DUBLIN

IF "SOAKING the rich" is now among the stuff of budgets in Britain, in Ireland the trend is towards soaking the poor. Inside a year drink prices have on average risen by a third thanks to harsh taxation and inflation. Tax on an Irishman's pint is now 18.4 pence, near enough half the rate paid elsewhere in the world's highest revenue rate for beer: a statistic that many Dublin wags say is worthy of the Guinness Book of Records. Bar takings have dropped by about 40 per cent in 1976, and the whispered word in rural Ireland is that poteen is making a comeback.

Pronounced "potcheen," it is the harsh, colourless spirit produced by illicit distillers mainly in the remote West of Ireland that is often dismissed as a legend. If so, it is a legend in its own lifetime for the trade is far from dead. Selling at anywhere between £1.50-£3.00 a bottle, it has a hard competitive edge over legal whiskey at £4.50 and upwards.

Price must be its only advantage, as it is raw stuff that even the seasoned taster with lemonade or ginger ale, but the poteen problem is spreading to Dublin. In Manchester the customs and excise men are reportedly worried by a sharp growth in illicit stills, some of which are hidden away in northern "Coronation Streets" while others hidden in vans are mobile. And in London poteen is increasingly available across-the-counter in Kilburn pubs.

Ireland is, however, the source—either in terms of shipments or of technical know-how—acquired in the hills of Mayo, Connemara, Sligo, Donegal or Galway. And this month the start of the poteen high season, productivity season running through to March. In the good old days, the golden era of the last century when poteen accounted for an estimated two-thirds of all liquor consumed

in Ireland, July was the start of the season "because all the policemen were up in Derry for the riots." Now commercial requirements are the deciding factor and the season starts a little later so that production peaks for Christmas.

The poteen industry has moved with the times in number of ways. The traditional turf fire, ever a dead giveaway, has been replaced by the calor gas cylinder and the getaway

told it would be good for him." By all accounts he was wrong, for Poteen's reputation is getting steadily more dubious. Once a fine malt whisky in the days that the police hunted "through the fields of rising barley," it has since gone downhill. Its ingredients have deteriorated from raw grain to brown sugar to treacle, golden syrup and fruit. The current favourite is beet pulp because it is a fast fermenter. If you are lucky,

and priests have in the exhorted parishioners in their stills by leaving anonymously in the gar for collection. The price, declaring a general amnesty, it may not work, but it probably it does not, in the 1930s far sterner were used. A number of Bishops declared that dioceses poteening "reserved" sin, meaning that was too serious purged by the local parish priests. The would be up before the h

Traditionally a We Ireland pursuit, poteen is now believed to be its way across country more sophisticated East and the Greater Dublin The restlessness of holders from the poorer, speaking "Gaeltacht" at the fertile farmlands of Meath. Westmeath and has brought with it a of skilled distillers and is now much more available these hitherto counties. Whether or not, the widespread, that much of the last pro the poteen-makers is slip off by the local IRA, really knows.

In some ways, poteen is said to have become rare of late. This spring the 20,000-bottle consignments Cork-made poteen to the U.S. in fact, a licensed made by Irishman distillers, which aims to hit the same markets as regular legally-produced "corn" in the States. Four years similar drink was launched Cork and called "secret" with the word "poteen" in small print on the label attitudes toward the hard seem to be softening and "poteen" is the unash brand-name.

There is another still more bizarre deterrent, and it is spiritual rather than secular. The Roman Catholic Church takes a dim view of poteening.

In parts of Donegal, Monaghan, Sligo and Galway the law forbids the sale, purchase, possession or removal of molasses, treacle, golden syrup, malt, yeast and hops. Special police permits are needed for anyone to buy these goods and as one visiting Dubliner observed, "baking day is clearly an event."

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In mitigation he pleaded that he had a cold "and had been

Giro three defeats Irish bank strikers

By Giles Merritt

DUBLIN, August 24
THE SUDDEN, surprise lapse of the Irish banks last night has now given intense speculation Dublin over the even immediately preceded the employees' climbdown.

The unexpected decision of the Irish Officials' Association to the 1977 strike a week ago whose rejection began strike exactly two months is being interpreted as a for the strikers and a for the Irish Govt. had threatened to take alternative to the clearing banks that have closed by the dispute.

The threat of such a which could make a co balance proportion of the 10,000 bank clerks who is thought to have been factor that decided the 1977 militant general strike, Mr. Job Stott, to without having achieved apparent gain. Mr. Stott said that the strike following last night's of an indecisive by 1800 members. A majority had voted in acceptance of the wage which are the same as in Ireland, a term a wage agreement.

Although the introduction of a Giro scheme through the banks was a threat that moved Mr. Stott, there are no clear guarantees that the Government will not case push ahead with it to introduce a Giro. It seems likely that 10,000 clerks will be granted major agricultural or 10,000 the Irish Agric. Organisations Society as State-owned Agric. Credit Corporation to now the Government.

This latest bank strike thing such dispute to Ireland in ten years, others have been three The Dublin Government known to be sympathetic increasing calls for the of the banking system, in effect would mean the of the "Big Four" monopoly of clearing ha

Belgium's largest air duer to-day signed a co build Frs.280m. (540m) build engines for the can F-16 fighter, pick four Nato countries in called "arms sale o century."

The company Fa Nationale Herstal (FN) it would build 1,000 F-16 including those for the Holland, Denmark and to replace their squad Starfighters. Reuter

Belgians sign F-16 contract

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OVERSEAS NEWS

All likely
Third
World
Shan needs

WICKS

ZURICH, August 24. The requirements of the Third World are likely to grow this year and next, according to estimates issued by the Swiss Bank Corporation.

The bank points out that economic recovery in Western industrial nations has led to a demand for Third World products since the half of last year, to an increase in the prices for raw materials. At the same time, the rise in prices for imported raw materials has slackened, and countries have taken steps to limit imports.

In these factors, which have a favourable effect on a balance of many non-industrial countries, the report says countries' combined account of payments has improved to some \$20bn, for as a whole and will further to about \$23bn.

ear, claims the bank, the of payments of the non-industrial countries showed an initial increase in their deficit from some \$26bn. In taking into account the public foreign debt which is put at \$16-17bn. In 1976 and 1977, the annual requirements of oil LDCs are estimated at \$45-46bn, this a \$39-40bn next. However, the bank stresses that these figures are below of \$51bn, reached in 1976, and in excess of generally needed by of World in the past. ent years there has been an increase in the total in- of the 86 developing countries, public foreign debt, from \$74bn. In 1970 in 1973 and — according to the Swiss Bank Corporation calculations — further in 1974 and as much in last year.

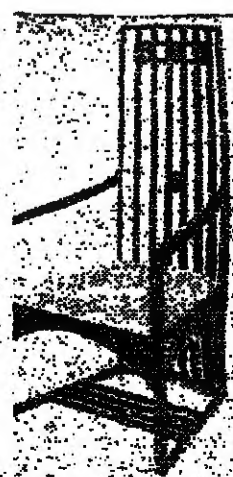
servicing of the 86 countries, the balance of payments is reported to be growing, but report points out that the call for the entire public by the 17 OECD States and their de- assistance committee. taneously, the balance of payments deteriorated ably to the \$36.5bn, total 1975, the Third World as preferring to cover needs by extensive cap- in international finan- rather than making use of their own currency.

Aeli praise
Egypt

CAIRO, August 24. **PRASED** Egypt today quick rescue of the hijack at Luxor. decision taken by the of the Arab Republic in respect to the of the Egyptian air- and the rescue of the on board were both and correct," a Trans- ister spokesman said. while in Cairo a Govern- ance said the hijack by al-estian agents of Col. the Libyan head-of- aimed at undermining if Anwar Sadat's chance- re-elected for another presidential term.

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Seven die in Soweto as
work boycott goes on

BY GRAHAM HATTON

JOHANNESBURG, August 24.

THE STAY-AWAY by Soweto workers continued today, although with perhaps less support, after a night of tension and violence in which at least seven blacks died in clashes involving police and opponents of the strike, as well as police.

The deaths occurred in the Mzimhlophe section of Soweto when armed hostel dwellers set upon people, including students, molesting workers returning from the city. Police themselves fired on people they claimed were intimidators with fine buckshot on several occasions.

The Transvaal Chamber of Industries today reported a 40 per cent attendance by black workers in Johannesburg factories, but added that only 10 per cent of the Soweto work force had reported for duty. The

Johannesburg Chamber of Commerce estimated today's attendance rate in shops and offices was 20 per cent to 30 per cent, higher than yesterday's average attendance of between 25 per cent and 30 per cent.

In what could have been reprisals against people who went to work yesterday, at least one house was fired in Soweto, while another was razed in Dobsonville. Two Soweto schools were also set alight.

The president of the Transvaal Chamber of Industries, Mr. E. Hausmann, said it was possible that the situation would not improve for a couple of days. He added that employers' attitudes seemed to be hardening. Absenteeism rates varied enormously from company to company, he said.

A railways spokesman said 29 trains from Soweto to Johannesburg were cancelled this morning. Those that ran were mostly half empty.

Police buses were still only running to the outskirts of Soweto.

It was reported this afternoon that a pregnant woman was killed last night by a stray police bullet, when police opened fire in the street.

In another incident, reported in the Johannesburg newspaper, The World, police fired tear-gas into a Soweto house where five children, including an infant, had locked themselves after seeing a police car approaching. John Stewart reports from Cape Town: Widespread disturbances erupted in coloured and African townships here today as students demonstrated and police used batons and tear-gas to restore order. There were no reports of significant worker absenteeism, however.

Uganda property warning

NAIROBI, August 24.

UGANDANS HAVE been warned they must not buy property from foreigners without the approval of the Government. The warning was given in a broadcast by Uganda Radio, monitored here.

The announcement was interpreted by Ugandans here as referring to property owned by Britons and other non-Ugandans who have recently left Uganda, and not to the much larger pool of property which belonged to several thousand Asians who were expelled from the country in 1972.

The radio gave no explanation for the warning, but said people who disregarded it would do so at their own risk.

President Idi Amin was recently quoted as warning the British interests section of the French embassy in Kampala that it must not concern itself with the property of Britons who have left the country. This was regarded as implying that such property might be seized by the State, one lawyer here said.

Lebanon summit call
draws cool response

CAIRO, August 24.

ONLY SEVEN countries have responded to last week's call by Kuwait for an Arab summit meeting on the Lebanon crisis, according to sources here, saying that Syria agreed today and Jordan last night but that the Arab League had heard from only five others: Bahrain, Sudan, Morocco, Tunisia and North Yemen.

Observers attributed the lukewarm response to acute inter-Arab differences and to attempts to confine the agenda to the Lebanon crisis without dealing with other disputes. They said that nothing definite about a date and venue could be expected before the League's council met at foreign minister level on September 4.

They said unanimous agreement on a solution to the crisis would be difficult to achieve, with several countries accusing each other of fomenting the war if other disputes were not dealt with. However, attempts to settle other disputes could also plunge the summit into disarray, they said.

Reuter

Isham Hijazi reports from Beirut: Lebanon President-elect Elias Sarkis has been playing a more active part in public affairs in advance of his taking office, which is scheduled for September 23 when the six-year term of President Suleiman Franjeh expires.

He has met during the past few days Right-wing leaders and plans to cross soon from the Christian suburb where he resides to the Moslem western Beirut to meet Moslem and Left-wing leaders.

Mr. Sarkis received an invitation yesterday from Syrian President Hafez Al Assad to visit Damascus. Observers said the invitation was a reassurance to Mr. Sarkis that Damascus would continue to support him.

The Syrians obviously want to discuss the Lebanon situation within the framework of their military involvement here. Mr. Sarkis has been reported to have promised not to call for Syrian withdrawal before the Lebanese army is reunited and the police

force is reactivated. However, Mr. Sarkis, like other leaders and mediators, has not been able to prevail on the rival factions to end the fighting, especially the indiscriminate shelling of residential areas, and the war has continued unabated in its seventeenth month.

Very few Beirutis were able to sleep last night as the sky continued to rain shells and rockets and as clashes raged in the city centre and southern suburbs, fighting and artillery duels were also reported in the eastern mountains and in the North.

Left-wing Beirut radio today accused Syrian troops of contributing to the military escalation. The Radio claimed that Syrian troops stationed north of Tripoli, sheltered the Palestinian camps of Ezzadawi and Nahr Al-Bared, and that Syrian forces stationed in the Jezzin area in the South pounded the Left-wing towns of Roum and Azour with field artillery and rockets.

U.S. envoys Robert Houghton and David Mack concluded their fact-finding mission in the Christian zone today, reports UPI. They left by boat for Cyprus after four days of talks with President Franjeh and other Right-wing leaders.

The Cyprus Government in Nicosia has said it would no longer allow Lebanese to enter Cyprus without visas, writes UPI. An announcement said: "The arrival of a large number of Lebanese without visas has made passenger control extremely difficult, if not impossible."

Another meeting between breakaway Lebanese army forces has taken place with Israeli officers, reports L. Daniel from Tel Aviv. The meeting, which was initiated by the Lebanese through the U.N. and took place at the border post of Rash Hamkra, was agreed to by the Israelis in spite of the Lebanese officers' links with the Palestinian Liberation Organisation, apparently because of an overriding desire to keep the border quiet.

Saudis and
Syria sign
big loan pact

By Louis Fares

DAMASCUS, August 24. FOUR long-term loan agreements totalling 265m. Saudi Riyals (about \$60m.) were signed on Monday between the Government of Syria and the Saudi Development Fund (SDF).

By virtue of the first two agreements, the SDF provides Syria with loans of 50m. and 85m. Saudi Riyals (totalling \$45m.) for the expansion of the ports of Tartous and Latakia on the Mediterranean. These projects should be completed by December, 1980. The Saudis are already using the two ports for the transit of their goods imported from the West.

The third agreement provides for a loan amounting to 50m. Saudi Riyals (about \$14m.) to finance a military hospital which is to be completed in 1979.

The fourth agreement provides for a loan amounting to 40m. Saudi Riyals (about \$10m.) for the financing of an international highway linking Damascus with the Lebanese border. The International Development Agency is also contributing to the financing of this project, which is to be completed in December, 1981.

ON OTHER PAGES

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N. Korea
denounces
'second'
U.S. force

HONG KONG, August 24.

NORTH KOREA today charged that a second American naval task force, including the aircraft carrier Enterprise, is heading for Korean waters following last week's border clash.

The official daily Rodong Sinmun, quoted by the North Korean Central News Agency, said the new task force had set sail from a base on the U.S. mainland.

The United States last week reinforced its 40,000 troops in Korea with two squadrons of planes and six warships, including the carrier Midway, after two American officers were killed in the clash during tree-pruning operations.

The Rodong Sinmun called on the United States to stop provocative military manoeuvres and withdraw its forces from South Korea — which it said were ready to invade the North.

Meanwhile in Seoul, it is reported that the American-led United Nations Command will meet representatives of North Korea tomorrow to seek assurances that there will be no repeat of the border clash.

The U.S. yesterday shifted from its earlier position that a message of regret about the incident from North Korean President Kim Il Sung was unacceptable because it did not constitute an apology or accept responsibility for the deaths. The U.S. said it now viewed the message as a positive step.

Australia headed for
deepening depression
warns Whitlam

BY OUR FOREIGN STAFF

IN SPITE of last week's business orientated federal budget that sent the Australian bourse climbing buoyantly to a two-year high, the former Australian Prime Minister, Mr. Gough Whitlam, warned last night that the country was facing a deepening recession.

Mr. Whitlam, who was addressing Parliament on the new Liberal-Country Party Government's first budget, said it provided no solution to the country's problems. "Australia is in a recession and the recession is deepening," Mr. Whitlam said.

He added that as a social document the budget was "frightening".

In presenting the budget last week, the Australian Treasurer, Mr. Philip Lynch, said it applied the maximum restraint judged consistent "with promoting confidence and maintaining a steady path towards economic recovery".

The budget offered a wide range of incentives to businessmen, but kept income and indirect taxes unchanged. And the Government stressed that its priority was to reduce inflation running at present at a 12.3 per cent annual rate.

Yesterday preliminary estimates by the Australian Statistics Office also pointed to a downward trend in the country's industrial activity last month compared to a temporary rise in June.

The figures showed that production was lower in July compared with June for 21 of the 30 items for which seasonally adjusted figures are available. Among the items, raw steel out-

put was down to 671,000 tons compared with 755,000 tons in June and car production was down to 30,300 compared with 32,100 in June.

Output was also lower for consumer durables and in all areas of the textile industry except for cellulose fibre. The only significant increases were for gas and electricity and chemicals.

Compared with July 1975, output was lower for 13 items and higher for 18 with increases generally in raw materials, consumer durables, building materials and textile products.

And according to agency reports, power workers are expected to go on a 48-hour strike in Melbourne to press for a 35-hour week. The strike, which is due to begin on Thursday, is expected to bring all tram and train services as well as industry to a standstill.

Meanwhile, the Prime Minister, Mr. Malcolm Fraser, yesterday blamed "a bunch of hoodlums" for a violent student demonstration which forced him to flee from Melbourne's Monash University in an unmarked police car on Monday.

The protest against Mr. Fraser and a similar student demonstration against the Governor-General, Sir John Kerr, heightened official fears for the safety of Queen Elizabeth when she visits Australia next March.

The students were protesting against Sir John's controversial decision to dismiss the Labor Government of Mr. Gough Whitlam last year and order a general election.

NZ unions
continue
fight on
freeze

By Dai Hayward

WELLINGTON, August 24.

LEADERS of New Zealand's 21 leading trade unions held a council of war today, then informed Prime Minister Robert Muldoon that they would continue industrial action to have the Government's wage freeze eased. This follows the first ever national transport strike in New Zealand where all drivers stopped work for 24 hours on Monday.

To-day Canterbury province drivers extended the 24-hour stoppage for seven days. Freezing workers who slaughter New Zealand lambs for export to Britain have refused to work more than a four-day week.

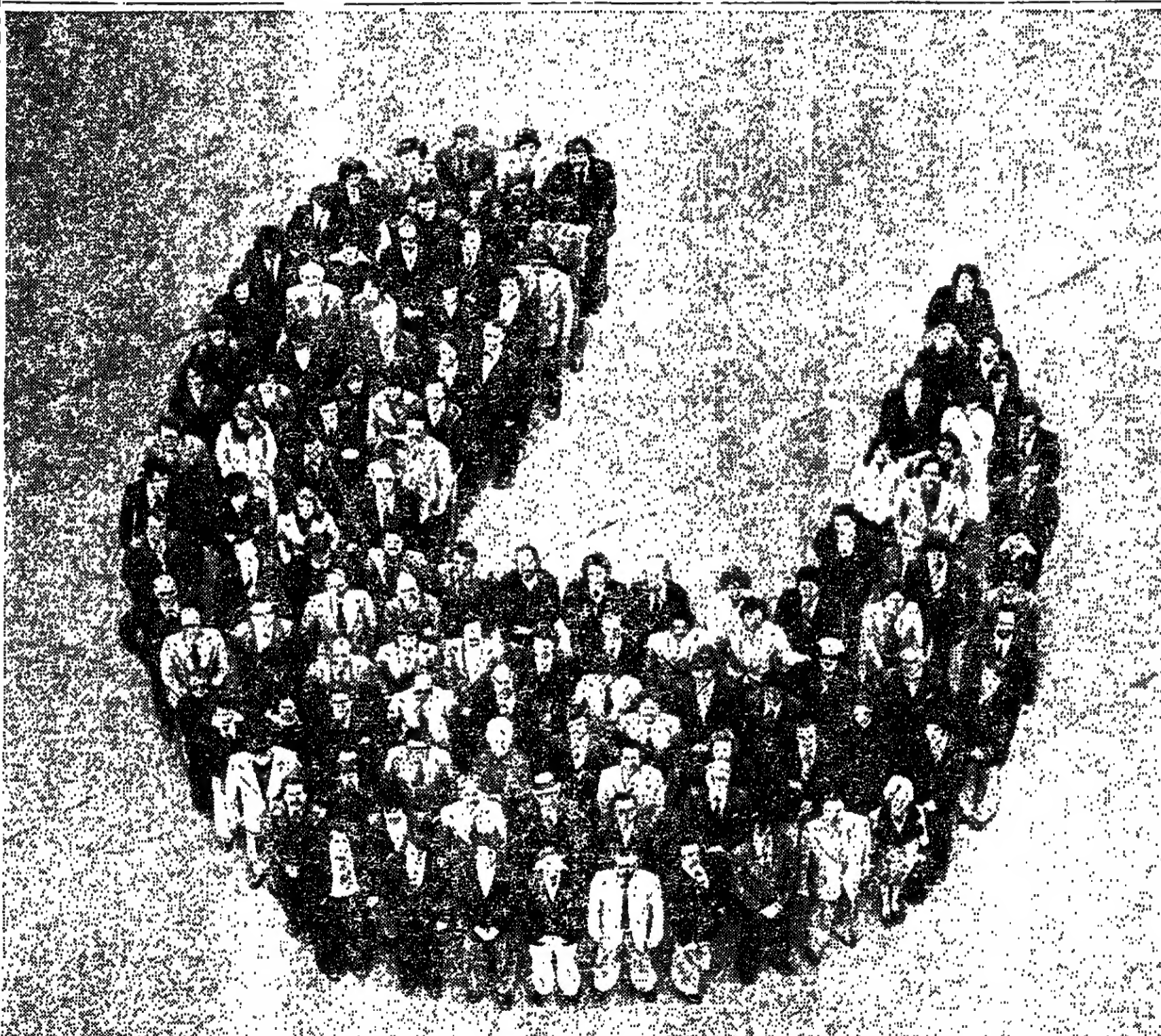
Aviation engineers have given the required two weeks' warning they will strike and close air-ports. A shipment of bananas is starting to rot in Lyttelton Harbour, Christchurch, because transport workers refused to move it.

Some hotels are also running out of beer because of delays by brewery delivery workers. And public servants held further stop-work meetings this afternoon.

The Government has been told that dissatisfaction is widespread and is not just being fomented by a small group of foreign-born troublemakers in the trade unions.

Mr. Muldoon today attacked secondary school teachers who have protested about the effects of Government economies in education.

Trouble continues to hit the giant paper-milling and forest product industry with thousands of men affected by industrial hold-ups and strikes.

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THE BROADLY BASED BANK.



The conspiracy theories about the Kennedy assassination have never been properly laid to rest. The recent killing of a second Mafia gangster who claimed he knew who killed the President has again raised many questions, and in particular...

Was there a Cuban connection?

BY DAVID BELL IN WASHINGTON

TWO WEEKS ago the body of an elderly gangster was found floating in an oil drum off the coast of Miami. His body had been supposed to sink, but gases from decomposition kept it afloat. The murder bore all the marks of the Mafia, which has disposed of errand members this way before. But its significance almost certainly extends far beyond that of just another gangland slaying. For it is the latest in a series of puzzling incidents that have raised important new questions about the assassination of President John Kennedy in 1963, questions now being asked with increasing frequency in Washington and elsewhere. They involve a murky world peopled by CIA agents, the Mafia, Cubans and the FBI with the links between these disparate groups far from clear. Thirteen years after the death of the President, there is now more interest than there has been for years in its circumstances. New information, some of which the Warren investigating commission did not have, and some which it chose to ignore, has raised perplexing questions that have yet to be adequately answered. So far there is nothing like any conclusive evidence to refute the commission's conclusion that Mr. Lee Harvey Oswald, acting alone and on his own account, killed Kennedy. But, as the Washington Post, which with the New York Times has in the past taken little notice of conspiracy theories, is now

deeply immersed in the story, put it last week in a long editorial there is now a suggestion that "there is an overlay of potentially embarrassing information sufficiently persuasive to keep an awful lot of people from wanting to have this thing aired," and Senator Richard Schweiker, Mr. Ronald Reagan's erstwhile running mate, concluded after chairing a special sub-committee on the assassination that "the only thing I am certain of is that we do not yet know the truth about it."

So much has been written about the murder in Dallas, so many false leads have led nowhere, that many people have been tempted to leave the tangled and confused circumstances that surrounded it alone. But the implications of the latest evidence are considerable and the incident is still too fresh in the public mind for that. It is an attempt to set down the latest doubts about what happened and why, doubts which now seem more than ever likely to lead eventually to a new full-scale inquiry.

The gangster in the drum was a Mr. John Roselli, a Mafia figure of long standing, who with a Mr. Sam Giancana was among those who were recruited by the CIA in the early 1960s to take part in at least one of its abortive attempts to kill Fidel Castro. These attempts, which included the use of poison pens, exploding seashells and even a special powder to make Castro's

hair fall out, were revealed in detail last November by the Senate Intelligence Committee.

The committee, whose temporary mandate expired earlier this year, was set up in January 1975, following widespread allegations of what it later called "substantial wrongdoing" by the domestic and other intelligence agencies serving the U.S. Government. It issued an interim report last year and a final one this spring and the latter concluded that "intelligence activities have not generally been governed and controlled in accord with the fundamental principles of our constitutional system of government."

It took evidence from some 800 witnesses, 250 under oath and 50 in public. It caused the greatest stir when it released its interim report which revealed that apart from the plots to kill Castro the CIA considered killing Patrice Lumumba in the Congo, toyed with the idea of overthrowing President Diem in Vietnam, assisted a group which later shot Sr. Raphael Trujillo of the Dominican Republic and considered removing General Rene Schneider, chief of the general staff in Chile under President Allende.

Mr. Giancana was shot dead in his closely-guarded Chicago home just before he was due to give evidence to this committee. Mr. Roselli, who testified twice, has now also met an untimely end. Mr. Giancana, incidentally, also had a girl friend called

Judith Campbell Exner who says that she was also intimately involved with President Kennedy at the same time. Kennedy aides have since denied this. In its report the committee mentions a report of an interrogation in 1967 which took place at the FBI. This featured two then, anonymous men who insisted that they knew who had killed Kennedy, that they were Cubans or sympathisers with Cuba and that they had done it in retaliation for the CIA's



The President

Castro assassination plots. Two days ago the Washington Post identified one of these men as Mr. Roselli, and Mr. Edward Morgan, his well-known Washington lawyer, has since confirmed this and said that he was sure that Mr. Roselli was convinced he (Roselli) knew who had killed Kennedy, but had kept the information to himself. Mr. Morgan also confirmed that Mr.

Roselli had dangled this in front of the FBI because he was in danger at the time of being sent back to Italy.

The Post also reported that about the same time as this 1967 interrogation, the late Drew Pearson—once of the most widely read of American investigative reporters—also uncovered details of the CIA-Mafia link. He was so disturbed by this that, before printing what he had found out, he went to Chief Justice Warren, asking him to see Mr. Morgan. Mr. Warren refused and sent the details on to the FBI. Mr. J. Edgar Hoover, then director, instructed that it be investigated and that the bureau's agents should seek out a possible Cuban connection. But these agents were apparently never told about the earlier CIA anti-Castro plots, nor very much about the CIA link with the Mafia. In time, the investigation died a natural death.

But it was not just junior agents who were ignorant of the CIA-Mafia-Cuba interconnection. The Warren commission itself apparently never knew anything about them either and it is not idle to speculate that, if it had, it might have looked rather differently at Lee Harvey Oswald's abundant connections with Cuban organisations in the United States.

Late last year the Intelligence Committee noted that there was considerable evidence that the Castro cause, which received considerable support from the CIA, was being planned in Washington. Some three months before Kennedy's death Mr. Castro told an American Associated Press reporter that American leaders—plotting to eliminate Cuban leaders—would not themselves be safe. Ironically, on the very day of the assassination, CIA agents in Paris were in touch with another band of would-be Castro assassins.

This group—its size is not known—was led by a Mr. Rolando Cubela who was close to Mr. Castro and given the code name Amalash. On the day of the assassination in Paris according to the Senate committee, CIA agents turned over to him a poison pen and explosives to be used against the Cuban leader. There has since been speculation, never confirmed, that Mr. Cubela may have been a double agent whose operations were being monitored by Cuban intelligence.

The Mafia's interest in Cuba sprang from its desire to reclaim at least some of the money it lost when its highly profitable casinos and myriad other rackets came to an abrupt end soon after Mr. Castro took over. Thus the Mafia was a natural conduit for the CIA to use. But Lee Harvey Oswald also had an intense interest in Cuba. After active pro-Cuban proselytising on behalf of the pro-Castro Fair Play for Cuba Committee in New Orleans in 1963 he travelled, two months before the assassination, to the Cuban consulate in Mexico City using the same assumed name with which he later purchased the rifle that killed the President.

It is not at all clear what he did there or why he went, but the visit has assumed new significance in the minds of some people here. So also has his time in the Soviet Union and the Washington Post also quoted this week a former FBI official who said that the bureau had never properly determined what he did in Russia or why he wanted to go to Cuba.

The involvement of the Mafia may also have raised new questions about the precise status of Mr. Jack Ruby who shot Lee Harvey Oswald soon after the assassination. It has always been assumed that he was acting out of overbearing anger at what Oswald had done. But, in a

recent and carefully researched book, Mr. Robert Sam Anson suggests that Mr. Ruby could possibly have had his own link with the Mafia. The author, who wrote the book before the Senate Intelligence Committee had finished its work, did not have the benefit of all its information.

Mr. Anson's book, *They're Killing the President*, produces absolutely no hard evidence about Mr. Ruby who died of cancer in prison some time after the murder of Mr. Giancana has never been solved and it has been wild speculation that it might even have been work of the CIA, a claim vehemently denied by the agency. Others have begun speculate, equally without



John Roselli

dence, that it could also been the work of Cuban agents anxious to keep the Cuban nation a secret. Then again, could have been just a star forward Mafia killing coup disconnected with the Ken assassination.

The evidence remains so dictory and inconclusive, so coincidences are at least worthy. They are particularly worthy in the information that is now emerging about involvement of the CIA and FBI in a wide range of undercover activities which were kept hidden even from the Government. In this context the suggestion that there may be a lot that some officials do not want revealed cannot be completely discounted.

The newly-formed Select Committee on Intelligence has now asked the FBI to investigate Mr. Roselli's (and to report its conclusions directly to it. This will inevitably take time and the bureau may come up with little, as its recent record solving Mafia crimes has been less than outstanding. Nevertheless even Mr. Anson conceded that the weak neurotic

De Beers

("the Company")

Higher half-yearly profits

Interim Report to Members

for the half-year ended 30th June 1976 and notice of declaration of interim dividend

The following are the unaudited consolidated results of the Company and its subsidiaries for the half-year ended 30th June 1976, together with the comparative figures for the half-year ended 30th June 1975, and for the year ended 31st December 1975:

	Half-year ended 30-6-76	Half-year ended 30-6-75	Year ended 31-12-75
Diamond account	304-76	306-75	31-12-75
Interest and dividends	R'000	R'000	R'000
Royalties and sundry revenue	213 646	109 403	218 785
Surplus on realisation of investments less amounts written off investments	42 222	45 111	94 795
	6 876	3 959	10 352
	5 832	81	(251)
	270 576	158 554	321 681

	1976	1975	1974
Deduct:			
Prospecting and research	9 492	8 536	17 587
General charges	8 079	8 823	13 489
Interest payable	2 153	1 532	4 721
Amount written off fixed assets less surplus on realisation of fixed assets	39	(95)	(332)
	19 783	15 900	35 465

	1976	1975	1974
Group profit before tax	250 793	142 654	286 216
Deduct:			
Government's share of profit under mining leases	9 072	7 511	14 158
Tax (See Note 2 in regard to 1975)	79 412	21 171	45 307
	88 484	28 682	59 465

	1976	1975	1974
Group profit after tax	162 309	114 272	226 751
Deduct:			
Outside interests in subsidiary companies	14 586	4 807	6 084
Group profit after tax attributable to De Beers Consolidated Mines Limited	147 623	109 465	220 667

	1976	1975	1974
Preference dividend of R1 per share declared 25th May 1976	795	795	
Second preference dividend of 4 cents per share declared 25th May 1976	113		

	1976	1975	1974
Cost of interim dividend of 12.5 cents per share (1975: 8 cents) (See dividend announcement opposite)	44 974	28 550	

	1976	1975	1974
Before extraordinary loss of R 8 032 000.			

Notes:

1. It should not be assumed that the results for the half-year ended 30th June will be repeated in the half-year ending 31st December, since income does not necessarily accrue evenly throughout the year.

2. The results for the half-year are not directly comparable with the corresponding period in 1975 because—
(a) The results of The Diamond Purchasing and Trading Company (Proprietary) Limited which became a subsidiary company with effect from 1st January 1976 are included, whereas only dividends received from that company were included the previous year.

(b) As a result of the introduction of a "pay-as-you-earn" system of tax collection in South West Africa, the amount required to be provided for South West African taxation in respect of 1975 was less than would otherwise have been the case. This had the effect of reducing the tax charge for the half-year ended 30th June 1975 by R15 348 000, and for the full year by R29 604 000.

INTERIM DIVIDEND

Declaration of Dividend No. 113 on the Deferred Shares. An increased interim dividend in respect of the year ending 31st December 1976, being dividend No. 113 of 12.5 cents per share (1975: 8 cents) has been declared payable to the holders of deferred shares registered in the books of the Company at the close of business on 24th September 1976, and to persons presenting coupon No. 57 detached from deferred share warrants to bearer. Shareholders will recall that it was stated in the last annual report that it was intended to reduce the disparity between the interim and final dividends. A notice regarding payment of dividends on coupon No. 57 detached from share warrants to bearer will be published in the press by the London Secretaries of the Company on or about 17th September 1976.

The deferred share transfer registers and registers of members will be closed from 28th September 1976 to 8th October 1976, both days inclusive, and warrants will be posted from the Johannesburg and United Kingdom transfer offices on or about 4th November 1976. Registered shareholders paid from the United Kingdom will receive the United Kingdom currency equivalent on 26th October 1976 of the rand value of their dividends (less appropriate taxes). Any such shareholders may, however, elect to be paid in South African currency, provided that the request is received at the Company's transfer offices in Johannesburg or the United Kingdom on or before 24th September 1976.

The effective rate of non-resident shareholders' tax is 15 per cent. The dividend is payable subject to conditions which can be inspected at the head office and London office of the Company and also at the Company's transfer offices in Johannesburg and For and on behalf of the Board

H. F. OPPENHEIMER, Chairman
A. WILSON

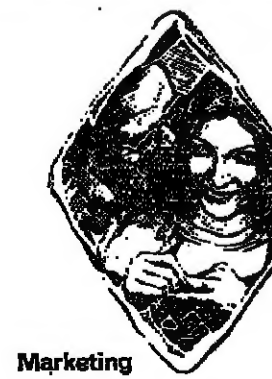
24th August 1976



Mining



Sorting



Marketing

Head Office

36 Stockdale Street, Kimberley, South Africa.

London Secretaries

Anglo American Corporation of South Africa Limited, 40 Holborn Viaduct, London EC1P 1AJ

Transfer Secretaries

Consolidated Share Registrars Limited, 62 Marshall Street, Johannesburg, (P.O. Box 61051, Marshalltown, 2107)
Charter Consolidated Limited, P.O. Box No. 102, Charter House, Park Street, Ashford, Kent TN24 8EQ

De Beers Consolidated Mines Limited

(Incorporated in the Republic of South Africa)

Copies of this report will be posted to registered shareholders

OTHER AMERICAN NEWS

Canadian plan to control foreign bank operations

BY OUR OWN CORRESPONDENT

FOREIGN BANKS operating in Canada will be brought under the control of the Canadian Bank Act if a White Paper recommendation is approved. The White Paper covering the 10-yearly review of the Bank Act also makes a number of wide-ranging recommendations that would increase competition in the financial field and increase the number of institutions that could engage in banking activities.

At present there are more than 200 foreign banks which have established representative offices or agencies in Canada in the past few years. This has caused considerable irritation to Canadian chartered banks, because foreign representatives could and did engage in certain activities that were forbidden to them.

The proposed new Act would preclude foreign banks from setting up agencies or branches in Canada. Instead, they would have to turn bank subsidiaries or have non-bank affiliates that

are Canadian persons subject only to Canadian laws. It is recommended that foreign banks be permitted to operate in Canada in three ways.

Those that expect to operate on any significant scale will be encouraged to apply for a charter under the Bank Act and any foreign bank making loans and accepting deposits will be required to have a charter.

More limited operations would be permitted through equity investments in non-bank affiliates, regulated either provincially or federally, but such affiliates would have to report on their activities under the Bank Act. Unless specifically authorised, foreign affiliates will not be allowed to borrow in the Canadian market without the guarantee of their foreign parent or an associated company.

Foreign banks with only representative offices in Canada will have to register with the Inspector-General of Banks. Foreign bank subsidiaries incorporated under the Act would

be required to have a Board of directors with a minimum of one-half would have to be Canadian.

Another important recommendation that the Canadian banks have been seeking for the past few years is the one that would encourage Canadian banks to expand in leasing, factoring and mortgage operations.

However, they would be restricted in data processing and security dealings. The banks have been increasingly more involved in business services that are not strictly considered banking, partly in response to the move by other financial institutions such as trust and loan companies and credit unions, into banking-type services.

This competition has been beneficial, the White Paper says, but some services if offered in conjunction with bank services, raise potential conflict of interest problems which overshadow the benefits of added competition.

Carter promise on draft evasion

BY DAVID BELL

WASHINGTON, Aug. 24.

MR. JIMMY CARTER to-day told the American Legion convention in Seattle that he still intends to grant blanket pardon for those who evaded the American conscription laws during the Vietnam war.

But, as he has always done, he was quick to point out that a pardon was not the same as an amnesty. "To me there is a difference. Amnesty means what you did was right. A pardon means that what you did—right or wrong—is forgiven." There are some who have described Mr. Carter's stand as a distinction without much of a difference, but Mr. Carter said to-day that it is "about the single hardest decision I have had to make during the campaign."

His treatment of the issue is characteristic of the approach that he adopts to all similar matters, such as abortion, which arouses intense and conflicting passions among the electorate. Quite deliberately, he first placates one side (in this case "draft dodgers" and their supporters) but then placates the other by leaving open the question of whether they were right or wrong. This ability to face in both directions has been criticised, but it may be that it is the only way in which to treat such sensitive issues as the draft.

Mr. Carter said today that it was because of the imperative need to end "the damage, hatred and divisiveness of the Vietnam war" that he had adopted this approach.

The democratic candidate arrived in Seattle from a hard day's campaigning in Los Angeles where he traded jokes with a large number of celebrities gathered to meet him at a cock party and unveiled another major theme of the Democratic campaign. Calling Mr. Ford an appointed President, he criticised him for the 55 vetoes that he has

so far signed. This, he said, added up to a record of "political insensitivity, of missed opportunities of constant conflict with the Congress and of national neglect." Mr. Ford's policies, what few there were of them, were tantamount to being "morally, politically and intellectually bankrupt."

Mr. Carter also sought to defuse the Republican argument that he is dangerously inexperienced and cannot be trusted in the White House. He said that as Governor of Georgia he had had to wrestle with all the federal programmes which are left to states and other local authorities to administer. This had been excellent training for the problems ahead.

Oil shale project delayed

BY OUR NEW YORK STAFF

NEW YORK, August 24.

THE U.S. Government's ill-fated oil shale project, which began with such high hopes two years ago, appears to have come to a virtual standstill.

At the request of the participating oil companies, the Department of the Interior has suspended development of two oil shale sites in Colorado for one year, and may permit a similar suspension of operations at two other tracts in Utah.

The Government insists that the suspension does not mean the end of the project. It is, however, only the latest of a series of delays which have dogged the project since its inception in January 1974. The oil companies blame environmentalists and a steady stream of legal and technical problems.

All this has made the Government's estimate of 100,000 barrels a day by 1980 for the two Colorado sites alone seem an unrealistic goal.

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The Board also empowered the President to sign a co-operation agreement with the Caribbean secretariat under which the two bodies and other regional institutions would pool resources to develop an integrated communications programme in member countries.

Housing starts rise 23%

United States housing starts rose 23 per cent in the second quarter of 1976, according to the F. W. Dodge Division of McGraw-Hill, Reuter reports 2 New York. The second quarter figure, seasonally adjusted, at an annual rate of 1.2m, was unchanged from the first quarter, the company said.

Investment increase

Foreign direct investment in U.S. rose \$4.3bn. last year, \$26.7bn. The Commerce Department said yesterday, a new high for the year. Increase included a \$3.4bn. in capital inflows and \$1.9bn. reinvested earnings. Among capital inflows were investments of \$1bn.

Rubber workers pa

Goodyear Tyre and Rubber workers have taken a strike in the army headquarter detention centre where they were held under the state public emergency declared months ago. Canute James v from Kingston. Security I said in June he was part of a plot to overthrow the Government.

Jamaica protest

Senator Parnell Charles, D-Leader of the opposition Jai Labour Party, is staging a protest in the army headquarter detention centre where they were held under the state public emergency declared months ago. Canute James v from Kingston. Security I said in June he was part of a plot to overthrow the Government.

Chemicals control

Reacting to increased concern over chemical hazards the House of Representatives, passed legislation giving Government new powers to control toxic substances. The bill would require makers of new chemical substances to file the Government 90 days starting commercial production.

Airlines settle

Aloha Airlines and Hawaiian Airlines yesterday announced settlement of all pending litigation between the two airlines. The settlement was part of a deal between Budget Rent-a-Car, AP-DJ and Honolulu. The settlement calls for Hawaiian Airlines to Aloha \$1.8m. without interest, two years. Aloha also will re \$450,000 from Budget.

No Concorde link

U.S. Transportation Secretary William Coleman said yesterday that in a French radio interview he did not intend to imply a link between the November presidential election and a possible Concorde deal. He said he was indicating the date at which Port Authority of New York, New Jersey, which runs Kennedy airport, may permit Concorde operate there.

AUTHORS WANTED BY N.Y. PUBLISHER

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HOME NEWS

Callaghan faces Scottish evolution and job queries

RAY PERMAN, SCOTTISH CORRESPONDENT

MR. JAMES CALLAGHAN, who on these matters in the forthcoming session and I am confident that it will do so.

And he appealed to those who had not yet agreed to the Government's legislation to support it. Scotland would not benefit from continued wrangling and uncertainty about its future, he stated.

Mr. James Callaghan, secretary of the Council, said: "We are anxious to get a statement and assurance from Mr. Callaghan, and we want to see that the Bill will go through. We will ask for a categorical assurance. Anything less than this will not do."

The Scottish TUC, who are to meet the Prime Minister to-day, said last night that they took a pessimistic view of the latest unemployment figures, which showed a rise in the number of unemployed people in Scotland was 171,000, an increase of 4.451 on last month. Seasonally adjusted and excluding school leavers, the figure was 145,362.

Mr. James Callaghan, general secretary of the Scottish TUC, said that the number of unemployed had doubled since 1974. There seemed little likelihood of any improvement in the near future and seasonal factors could mean a further decline in the next two or three months.

The STUC will ask Mr. Callaghan specifically about the impending redundancies at the RDL (North Sea) platform building yard at Methil, and about the future of the Babcock and Wilcox factory at Renfrew which depends on a new order being placed soon for power station generating equipment.

He will also be questioned about the future of shipbuilding, the steel industry and the effects of public spending cuts on the construction industry. Mr. Milne said: "Our great concern is to ensure the continuation of a Labour Government. For this reason alternative policies must be pursued. The present policies aren't having the desired effect, and history tells us they won't have the desired effect."

The Prime Minister is also to meet the Scottish Development Planning Council, and will see the Royal High School building, Edinburgh, which is to be the home of the proposed Scottish Assembly.

cott Lithgow new contract could ensure 500 jobs

OUR SHIPPING CORRESPONDENT

LITHGOW, the Lower Clyde shipyard, is negotiating a new order which would ensure 500 jobs for the next five years, according to a source in the yard.

The order, which would be placed by a Norwegian-U.S. consortium, Pacific Norse Shipping, as part of a two-ship contract, would be the first of a series of orders which would ensure the yard's survival.

But the depressed state of the off-shore drilling market has led to the indefinite postponement of the order for the second ship.

About 1,000 jobs at the company's Clydebank yard could be affected by this. Some workers could be redeployed, but without another contract redundancies would be inevitable in the first half of next year.

Mr. Belch said he was trying to set up a package involving private interests which would underwrite the yard's survival. He said that he would urge the Government to finance the speculative construction of the ship if there appeared to be no other alternative.

Government aid is to be sought for encouraging the placing of a ship conversion contract with Clyde shipyards.

The approach will come from the Scottish TUC after a meeting with a joint union-management delegation from the Marathon Shipbuilding (U.K.) yard at Clydebank, the U.K.'s only builder of jack-up drilling rigs.

Marathon has suffered the cancellation of three rigs worth nearly £30m. because of global over-capacity in off-shore drilling.

The yard needs more work by the end of September to avoid giving notice to several hundred employees.

Mr. James Milne, STUC general secretary, said they would be asking the Government to improve credit facilities for a contract involving conversion of a merchant ship for off-shore use.

Postgraduate study action refused

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

CHARGES that much study beyond bachelor-degree level is economically irrelevant and socially unjust were tacitly accepted by the Department of Education and Science yesterday in its long-delayed reply to a report by a select committee of MPs.

Members of the Commons Expenditure Committee have waited more than two and a-half years for the reply to their inquiry into post-graduate studies, which are the most expensive form of State education, accounting for roughly £200m. of current public spending a year.

Mr. Neil Martin, Conservative MP for Banbury, who led the inquiry during the final year of Mr. Edward Heath's Government, immediately accused the department of complacency.

This is because, although the reply endorses the MPs' view that post-graduate education should be shaped not by student demand alone but principally by the needs of the economy and of society as a whole, the department refuses to accept that Government action is required to bring this about.

He was particularly concerned about the department's rejection of his committee's proposal that finance for postgraduate students should be provided partly by repayable loan, instead of wholly by grant.

The reply rejects the idea of shaping higher educational provision by manpower planning. It does so on the grounds that it is "important to resist the temptation to forecast and plan with spurious precision," even though the advocates of manpower planning have continually emphasised that they are thinking essentially of a "broad brush" approach.

The department maintains that "the content and balance of postgraduate training, in all its complexity, are best left to the autonomous interaction of the institutions themselves, the research councils (which in 1974-75 supported more than half of the 13,059 British university postgraduates in science and technology, and about a third of the 18,767 in arts and humanities), and employers."

Postgraduate Education - Government observations, Cmnd. 6611. SO: 25p.

Open University staff 'work in shanty town'

ACADEMIC staff at the Open University are working in almost intolerable conditions, according to acting vice-chancellor, Professor Ralph Smith. His annual report published yesterday described the campus in Milton Keynes, Buckinghamshire, as a "shanty town."

The Walton Hall site had 250 more staff than designed for, and the university did not achieve its planned growth rate. This year, Government spending cuts fixed student intake at 17,000 instead of a hoped-for 25,000 places for £2,000 applicants.

The report added: "not enough foundation-year places were available and fewer courses were produced than we would have wished."

"Not enough staff could be appointed to create the courses of the future and present and to maintain current ones, nor to allow staff the full opportunities for study which they had earned in earlier years."

Overall pass rate for student courses fell from 73.7 to 70.7 per cent.

The vice-chancellor's report said accommodation was 50 per cent below that accepted at other British universities.

Professor Smith added: "This situation continues for many reasons: the rate of growth of our staff numbers, the long lead time for building developments and the difficulties of getting Government approval for projects in a bleak economic situation."

Fourteen new undergraduate courses were presented last year but the university did not achieve its planned growth rate. This year, Government spending cuts fixed student intake at 17,000 instead of a hoped-for 25,000 places for £2,000 applicants.

BRITAIN'S NEW WATER 'SUPREMO'

In the deep end

BY RICHARD EVANS, LOBBY EDITOR



Mr. Denis Howell: A thirsty job.

MR. DENIS HOWELL, the man asked by the Prime Minister to co-ordinate all matters connected with the supply of water during the drought, is invariably and unfairly referred to as Westminster's former football referee.

For although Mr. Howell, a dour, Right-wing (in Labour terms) Birmingham MP, has never made the front line of politics, he is a man of some importance and influence inside the Labour and trade union movement.

The drought, particularly if it develops into a crisis with widespread water restrictions to industry and domestic consumers, will give Mr. Howell an opportunity rarely received by a middle-ranking Minister to make an impact on the national scene.

He launched himself briskly and effectively at a London Press conference yesterday and bridled at a suggestion that the issue had been downgraded by Mr. Callaghan by being put into the hands of a Minister of State rather than a member of the Cabinet.

As Mr. Howell pointed out, the task will entail lengthy tours of the country—he visits the badly affected area of south-east Wales on Friday—to assess the situation and to decide what is necessary to cope with very different problems in different areas. It is a full-time job that a Cabinet Minister could do adequately only by dropping all other responsibilities.

Mr. Howell was on holiday with his family in Devon last week-end preparing to go to a union conference in Finland when the call came from 10 Downing Street asking him to brief himself on the drought ready for the Cabinet committee meeting yesterday.

The water for kitchen chores As Minister of State for the Environment since Labour re-

turned to power in 1974, Mr. Howell has responsibility for sport and recreation, where he has pursued a particularly tough line against racism.

His standing rose considerably among Labour MPs earlier in the summer when he briskly bowled out Tories who protested at his decision to ban a British tour by the Ridgebacks, a Rhodesian cricket XI.

His attitude to racism in sport is one reason why he is well regarded on the Left of the party, even though he is a Right-winger who was in favour of Common Market membership and who was a member of the Galskellite Campaign for Democratic Socialism in the early '60s.

His other political strengths are his local government experience in Birmingham, which has given him a deep understanding of the Labour movement, and his strong union contacts through his presidency of APEX, the Association of Professional, Clerical and Computer Staff, a 125,000-strong white-collar union.

In Party terms he has an impressive reputation as a fixer and did Mr. Harold Wilson a good turn at the Labour Party conference two years ago when the Left was pressing for nationalisation of the country's top 30 companies. As a member of a conference committee, Mr. Howell was instrumental in toning down the key resolution and effectively drawing its teeth.

He was a member of Birmingham City Council for ten years after the end of the war and was secretary of the council's Labour Group from 1949 until 1955.

He became MP for All Saints Birmingham in 1955 but lost the seat in the 1959 General Election. He has been MP for the neighbouring constituency of Small Heath since 1961 and has a safe majority of over 14,000.

Throughout his Parliamentary career he has had an interest in water resources and made one of his earliest Parliamentary speeches on Birmingham's water problems. In 1973 he led for the Labour Opposition against the Conservative Water Bill, attacking the re-organisation of the industry as costly and ineffective.

Mechanical engineering orders begin to pick up

BY OUR INDUSTRIAL STAFF

Mechanical engineering orders are beginning to pick up in a number of sectors, according to the industry's economic development committee, the "Lift Noddy."

Demand for some materials and products which normally serve as leading indicators, has increased rapidly in recent months. The short-term trends working party says in its report published yesterday.

The working party confirms that new orders are picking up to be between 2 to 3 per cent. However, output is expected to rise by 6 to 7 per cent. third or fourth quarter of this year.

Total new orders are expected to be 12 to 17 per cent. higher than the very depressed levels of last year. A further 20 to 30 per cent. rise is forecast for 1977, although the working party notes that such figures inevitably are highly speculative.

The low level of orders in the first half of this year and the time lag in manufacture means that production in 1978 is likely to be between 2 to 3 per cent. lower. However, output is expected to rise by 6 to 7 per cent. third or fourth quarter of this year.

conduct de for urists

Shur Sandles

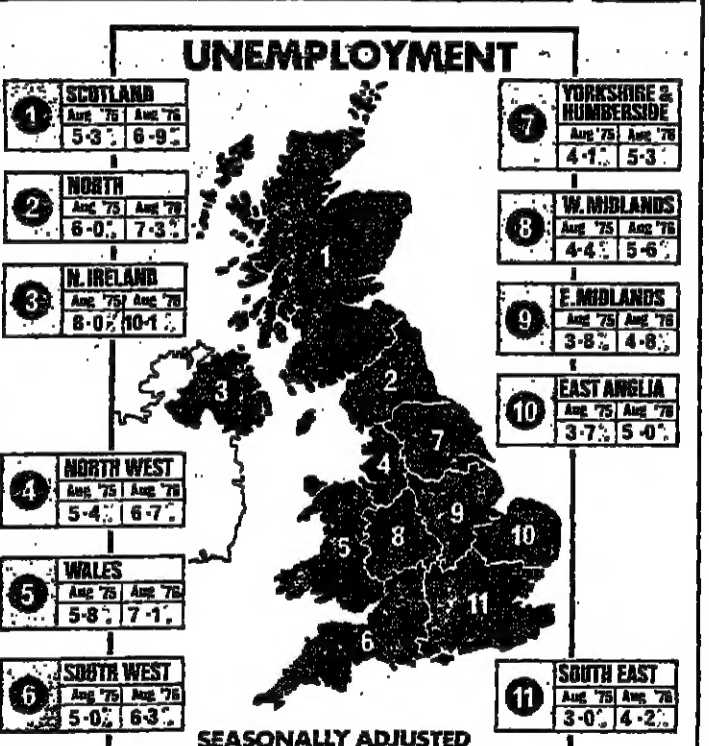
LAKE CITY, Aug. 24. COMMENTS which depend on tourism to provide currency are now that the "tourism" with local residents against visitors with or mini-skirts, or who might, may hinder the rest of the travel.

N. Economic Commission, Europe, which includes in its membership, has noted that its members establishing a code of for tourists, both and international, and for project develop-

jections to tourism are throughout the world. U.S. is making moves matters.

Not Richardson, U.S. of Commerce, told the industry "Pow-Wow" his department is working the private sector to set of model standards for both travellers communities.

would be a "visitors" circulated both within and abroad, telling the to be a "responsible siderate visitor." A ledge would guide munities "in meeting and obligations to



THE bulk of the increase in unemployment in the month to mid-August occurred in south-east England, according to the regional breakdown published yesterday by the Department of Employment.

This highlights the tendency since the last recession for relative levels of unemployment to even out between the regions. The narrowing of the regional gap has been particularly marked in Scotland and Northern Ireland, even though the percentage rate of unemployment is still much higher in those areas than in the country as a whole.

Improvement in regional differentials has not been uniform since north-western England relatively has higher unemployment than was usual in the past and the south-west now has a slightly above average jobless rate rather than below average as in 1972.

Interest rates 'to stay high'

TER RIDDLE, ECONOMICS CORRESPONDENT

ERM interest rates, on which have risen recently, will probably experience periodic bouts of uncertainty and there will be much scope in markets, according to interest rate review teams and Glyn's bank. The present European trend view maintains that adjustments may yet be necessary if other currencies show signs of weakness.

The present European trend has run counter to developments in the U.S., where business loan demand has remained slack and some respondent short-term rates have eased in the wake of the European review. The major U.S. banks reduced their prime rates from 7 1/2 per cent. to 7 per cent. at the end of July.

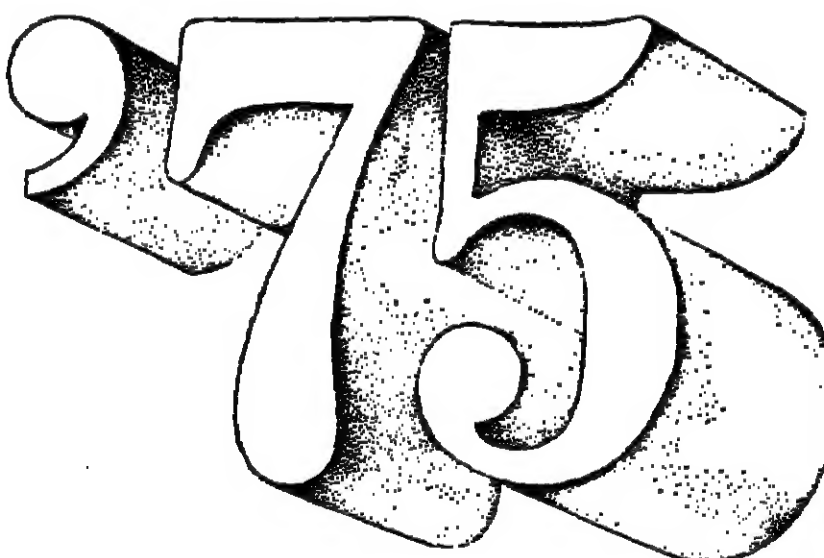
In Europe the sharp rise in short-term rates, primarily in response to the upheavals in the currency markets, started in France. When uncertainty spread to the snake currencies, rates in the Netherlands and Belgium were sharply increased.

Short-term rates in the U.K. have remained steady, despite temporary shortages of credit in the money markets on a number of occasions, which have been relieved by the monetary authorities.

SHORT-TERM INTEREST RATES AT AUGUST 16, 1976

Bank Rate	Overdrafts %	Loans %	Commercial & Finance Papers %
9.50	10.45 plus commission of 1/20% a month on highest debit balance in month. 10.20 minimum rate "Credit mobilisable"	10.20 min. for corp. borrowers	Commercial bills 90 days, 10.20 Finance 10.20
3.50	7.75 to 8.50, sometimes reduced for first class borrowers	7.25 to 7.75	Commercial bills, 7.25 to 7.25
12	21	—	Commercial bills to 180 days, 20 to 50
2	7.50 to 8 unsecured 7 to 7.50 secured	6.25	Commercial bills to 90 days, 4.50
11.50	11.50 to 16.50	11.50 to 16.50	Commercial bills, Bank 3 months: 10.97 to 11. Trade up to 180 days: 11.50

Vertrauensbilanz Balance of Confidence



Auch 1975 ist die Norddeutsche Landesbank ihrem öffentlichen Auftrag nachgekommen, die Entwicklung der regionalen Wirtschaft mitzutragen und zu fördern sowie die niedersächsischen Sparkassen bei ihrer Geschäftstätigkeit zu unterstützen. Das kommt in der Zusammenarbeit mit Land und Kommunen Niedersachsens ebenso zum Ausdruck wie in der Partnerschaft mit Industrie, Handel, Handwerk und Landwirtschaft oder in allen Dienstleistungen, welche die Bank für jeden einzelnen bereitstellt. Finanzkraft und Erfahrung der Nord LB standen dabei jederzeit im Dienst des alleseitigen Bemühens um Stabilität und neuerlichen Wirtschaftsaufschwung. Die Bilanzsumme der Nord LB erhöhte sich um 103% auf 31.8 Mrd DM. Die Gesamtaktivitäten erreichten rund 40 Mrd DM. Wachstum und Kontinuität sind die Merkmale einer soliden und erfolgreichen Geschäftspolitik und zugleich Ausdruck für eine gute vertrauensvolle Zusammenarbeit mit unseren Kunden und Geschäftspartnern. So ist diese Bilanz in Zahlen zugleich eine Bilanz des Vertrauens.

Nord LB - Bilanz kurzgefasst:

Aktiva	Bilanz zum 31.12.1975 in Mio DM		Passiva
Barreserve	547	Verbindlichkeiten gegenüber Kreditinstituten	6.275
Wechsel	202	Verbindlichkeiten gegenüber Kunden	3.513
Forderungen an Kreditinstitute	6.038	Spareinlagen	2.401
Forderungen an Kunden	17.230	Begabene	13.715
Wertpapiere	1.952	Schuldverschreibungen	1.015
Durchlaufende Kredite	1.015	Durchlaufende Kredite	765
Beteiligungen	432	Eigene Mittel	3.096
Landes-Bausparkasse	3.193	Landes-Bausparkasse	1.013
Sonstige Aktivposten	1.188	Sonstige Passivposten	
Summe der Aktiva	31.797	Summe der Passiva	31.797
Konzernbilanz	35.926	Gesamtaktivitäten	rd. 40.000

Die ungekürzte Bilanz sowie die Gewinn- und Verlustrechnung, die die uneingeschränkten Bestätigungsmärkte tragen, werden im Bundesanzeiger veröffentlicht.

In 1975 the Norddeutsche Landesbank once again performed its public duty of sharing in and promoting the development of the regional economy and supporting the savings banks of Niedersachsen in their business. This is shown in the cooperation with the state government and communes of Niedersachsen as well as in the partnership with industry, commerce, the crafts and agriculture or in all the services provided by the bank for every individual. The financial strength and experience of the Nord LB were constantly at the service of the all-round endeavour to obtain stability and a fresh upturn in the economy. The balance-sheet total of the Nord LB rose by 103% to DM 31,800 million. The volume of business was, in round figures, DM 40,000 million. Growth and continuity are the signs of a steady and successful business policy and at the same time indicate the confidence placed in us by our customers and business partners. The balance-sheet, therefore, shows not just the figures but is also a measure of confidence.

Nord LB - summary of balance sheet

assets	balance sheet at 31.12.1975 in million DM		liabilities
cash reserve	547	liabilities to banks	6.279
bills	202	liabilities to customers	3.513
claims on banks	6.038	savings deposits	2.401
claims on customers	17.230	bonds issued	3.715
securities	1.952		
loans on trust basis	1.015	loans on trust basis	1.015
holdings	432	capital and reserves	765
regional building (Landes-Bausparkasse)	3.193	regional building society (Landes-Bausparkasse)	3.096
other assets	1.188	other liabilities	1.013
total assets	31.797	total liabilities	31.797
group balance sheet	35.926	total volumes of business	40.000



Norddeutsche Landesbank
Girozentrale
Hannover - Braunschweig

The Management Page

Mr Lewis reports the troubled financial history of a company's expansionary craze

Lyons faces up to its debts

GROWTH via acquisition and diversification was in numerous companies a temptation to their management. But for the management of Lyons, it was a painful experience or a cause for celebration. However, if the company is to survive, it must face up to its debts. The company's expansionary policy, which has led to a massive increase in its borrowings, is now under scrutiny. The company's management, which has been praised for its aggressive expansion, is now facing the reality of its financial situation. The company's expansionary policy, which has led to a massive increase in its borrowings, is now under scrutiny. The company's management, which has been praised for its aggressive expansion, is now facing the reality of its financial situation.



Neil Salmon, Managing Director, Lyons and Co.

Lyons' first expansionary efforts, which began in 1967, were mainly confined to making internal economies and cutting out losses. The old, traditional tea shop business which may well not have been making a true profit since before 1940, had been steadily reduced, mostly by natural wastage. But the first major decision actually to change the face of Lyons was taken in 1971 when the Board made up its mind to "go international". This was based on the belief that Britain would join the Common Market and that, if it was not to lag behind its prospective European competitors, Lyons had to take some advance action. The second part of this line of thinking was that Lyons wanted to acquire Tetley's tea bag business in the U.K. which meant it

must also buy the Tetley business in the U.S. Once that had been completed, the Board was "psychologically committed" internationally. As an illustration of the banking climate at the time, Mr. Neil Salmon, managing director of Lyons, remembers that on the day the group announced that it was to buy

the group had achieved a compound earnings growth of 25 per cent. for five consecutive years. It was also expected that while there could be problems with its overseas acquisitions, these could be happily absorbed by the strong U.K. business. On this premise, it was decided to borrow Euro currencies to support the development plans with interest payable in the U.K. Events could not have turned out much worse. The U.K. plunged into recession and some of the most successful U.K. profits dried up. Spendable incomes dropped and the tourist trade withered as other countries entered their own recessions. Price controls were imposed and inflation rocketed. The overseas borrowings, which at one time looked quite shrewd, turned into a nightmare because most of the cash was lent when a pound sterling was worth around \$2.18. For a time, when sterling improved to \$2.40, the borrowings seemed almost a touch of genius. But then the level plummeted to \$1.75 and vastly increased the burden of the debt.

Profits from property development in the U.K. which had been running at over £3m. a year, began to disappear and last year were down to £300,000. It was soon the overseas acquisitions that were giving support to the U.K. This was particularly true last year when U.K. profits dropped from £12.2m. to £10.4m, while the overseas contributions rose from £12.8m. to £16.7m. Within the overseas figures the U.S. did well mainly because of the success of Baskins-Robbins, an ice cream firm bought by Lyons for £16m. at the end of 1973. Lyons had also spent heavily in the U.K. as well as buying overseas. For example, it had taken the costly decision to relocate the company's cake manufacturing business from Cadby Hall itself in West London, to Carlton. It had also expanded its hotel business and ordered the building of the Tower Hotel, near the Tower of London, and two Albany hotels in Glasgow and Havana.



BRUSSELS

New policies
The management at Lyons has therefore had to re-think its policies. The structure in 1973 had been fashioned to cope with the new growth phase, and included a number of high level appointments, the people involved having been instructed to seek out new growth opportunities. But as the last annual report states: "The commercial pressures of the last two years have brought this phase to an end, for the time being at least, and the main thrust must now be towards reinforcing and improving the businesses that we have rather than planning or seeking others."

Lyons, which has a strong family basis—through the Glucksteins and Salmons—has made a number of concessions to the modern way of thinking. For example, the Board has now successfully put through resolutions to give voting rights to non-voting shareholders. It has also produced a version of the annual report and accounts, specifically for the workforce although it is perhaps unfortunate that Lyons chose last year to start such a scheme. Lyons faces challenges on the trading front, too. McDonald's, the huge U.S. hamburger chain, has started in operation in the U.K. McDonald's has the advantage of money, and is striking more at the high prestige sites, with new glossy premises. In short, Lyons has a lot of work on its hands. It is, nevertheless, well liked in the High Street and is highly respected as a supplier. The goodwill is certainly there, and it is now up to Lyons to make its acquisitions work. The wisdom of going overseas has never been in doubt—merely the timing and the method.

Harmonisation in clean air

BY DAVID FISHLOCK

in close agreement on the method used by the British, usually summed up as "best practical means". Britain's approach has been, vigorously challenged by some ecologists as affording industry too much freedom of action, but has recently received the blessing of no less critical a body than the Royal Commission on Environmental Pollution. As Mr. John Clarke, who takes care of environmental matters for the CEEB, points out, it is really a very severe standard—there's no point in going for impractical means and it calls for the best. The CEEB has a major interest in air pollution legislation. It burns about one-third of the residual fuel oil and half of the coal burnt in Britain, and its power stations emit nearly half of the sulphur dioxide Britain discharges. It is no surprise, therefore, to find the utility which accounts for about four-fifths of the U.K.'s centrally generated electricity acting as spokesman for industry in matters of emissions—for example, in CBI circles.

Little smoke

But Mr. Clarke contends that the electricity industry emits very little smoke. The reason is simply a matter of economics. Smoke represents an inefficiency in the burning of fuel that has staggering financial consequences when an organisation spends £1.46bn. on fuel (as the CEEB did last year). The U.K. electricity industry has also pioneered the tall-stack policy which minimises the impact of power station emissions on the environment. Modern U.K. power stations have stacks 600-800 feet high—a new one in London might be even higher—but the thermal buoyancy of the hot gases surging up such a stack sweeps them "like bubbles in a champagne glass," to quote Mr. Clarke, up to 1,500-2,000 feet. At this level they are beyond reach of the earth's boundary layer of air and cannot, the CEEB contends, be sucked back to ground level except in a highly diluted and innocuous form. The price of the tall stack is high—£2m-£3m. for a stack

BUSINESS PROBLEM

business tenancy

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BY OUR LEGAL STAFF

County Court made in response to a statutory notice to terminate your lease served by your landlord. The new rent would be the then market rack rent.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

The Technical Page

BY ARTHUR BENNETT AND TED SCHOETERS

SECURITY

Hains cannot get near

AMPLER microwave intruder that will detect any movement within 30 feet horizontal plane and 15 feet above or below has been the market by Communi- of 29, Shallock Road, Oak, Canterbury, Kent, QH (0227 710231). It has a rather lower frequency (2.45 GHz) than is usual in these kinds of systems, enabling movement detection to take through brick walls and other building materials not reflecting metal. The manufacturer claims that it has obtained an in-directional characteristic by dispensing with the usual waveguide. It is claimed that if the box is placed in the centre of a room, or other premises, it can detect movement in any direction, setting off the siren which can be 250 yards away in the complete system is contained within a single veneered casing 18 x 12 x 6 inches; weight is 19 lb including a battery able to operate for six months. There is no dependence from the

malus and no installation work of any kind. A number of delay periods can be selected on the front panel to allow the sensitivity to be set without constant alarm activation. Other delays allow the user to leave the premises without being "detected". The cabinet itself can be hidden in any wooden cup or locker without affecting its performance. If desired, a self-powered remote siren can be supplied: cutting or shorting the wires to this will cause both sirens to sound. Two models are available, the CR201 which has directional detection to 60 feet over a 60 degree arc. The latter would allow, say pedestrians or vehicles to pass behind the detection zone without raising the alarm. The price of either model is £270 including VAT.

A device with a very similar purpose but making use of ultrasonics rather than microwaves has been put on the market by Leotec Sonix Alarms, Princess Way, Industrial Estate, Camberley, Surrey GU15 3DD (0278 63135). It is a thixotropic material, similar in appearance to white emulsion paint, and can be applied by brush, paint pad or roller. It does not form the usual rubbery "cobwebs" or "string". Both of the surfaces to be bonded are coated with UniTak, and the coatings change from white to transparent when they dry, indicating they are ready to be bonded, and eliminating guesswork. Coatings dry in 10 to 20 minutes in normal room temperatures, but bonding need not be carried out for up to 40 minutes after drying occurs. A permanent bond is formed as soon as the surfaces are joined. In addition to the usual materials that are bonded with contact adhesives, the new product can be used with solvent sensitive materials such as polystyrene tiles. Applicators, such as a brush, can be washed out under a tap, while surplus adhesive or splashes can be mopped up with a damp cloth—the adhesive is easily washed from the hands. No solvent-based cleaning fluid, creating a further hazard, is required. One litre (£24) covers up to 15 square metres (compared with 2½ litres using conventional contact adhesive). UniTak is also available in tubes and 4 litre cans (£4p and £10.8).

Water-based adhesive is safer

EXPLOSIVE FUMES emitted by the petroleum-based solvents on which most contact adhesives are based constitute a potential household safety hazard. Called UniTak, a water-based contact adhesive which is non-explosive, non-flammable, clean and almost odourless, has been introduced by Unibond, Tuscum Way, Industrial Estate, Camberley, Surrey GU15 3DD (0278 63135).

It is a thixotropic material, similar in appearance to white emulsion paint, and can be applied by brush, paint pad or roller. It does not form the usual rubbery "cobwebs" or "string". Both of the surfaces to be bonded are coated with UniTak, and the coatings change from white to transparent when they dry, indicating they are ready to be bonded, and eliminating guesswork. Coatings dry in 10 to 20 minutes in normal room temperatures, but bonding need not be carried out for up to 40 minutes after drying occurs. A permanent bond is formed as soon as the surfaces are joined. In addition to the usual materials that are bonded with contact adhesives, the new product can be used with solvent sensitive materials such as polystyrene tiles. Applicators, such as a brush, can be washed out under a tap, while surplus adhesive or splashes can be mopped up with a damp cloth—the adhesive is easily washed from the hands. No solvent-based cleaning fluid, creating a further hazard, is required. One litre (£24) covers up to 15 square metres (compared with 2½ litres using conventional contact adhesive). UniTak is also available in tubes and 4 litre cans (£4p and £10.8).

INSTRUMENTS

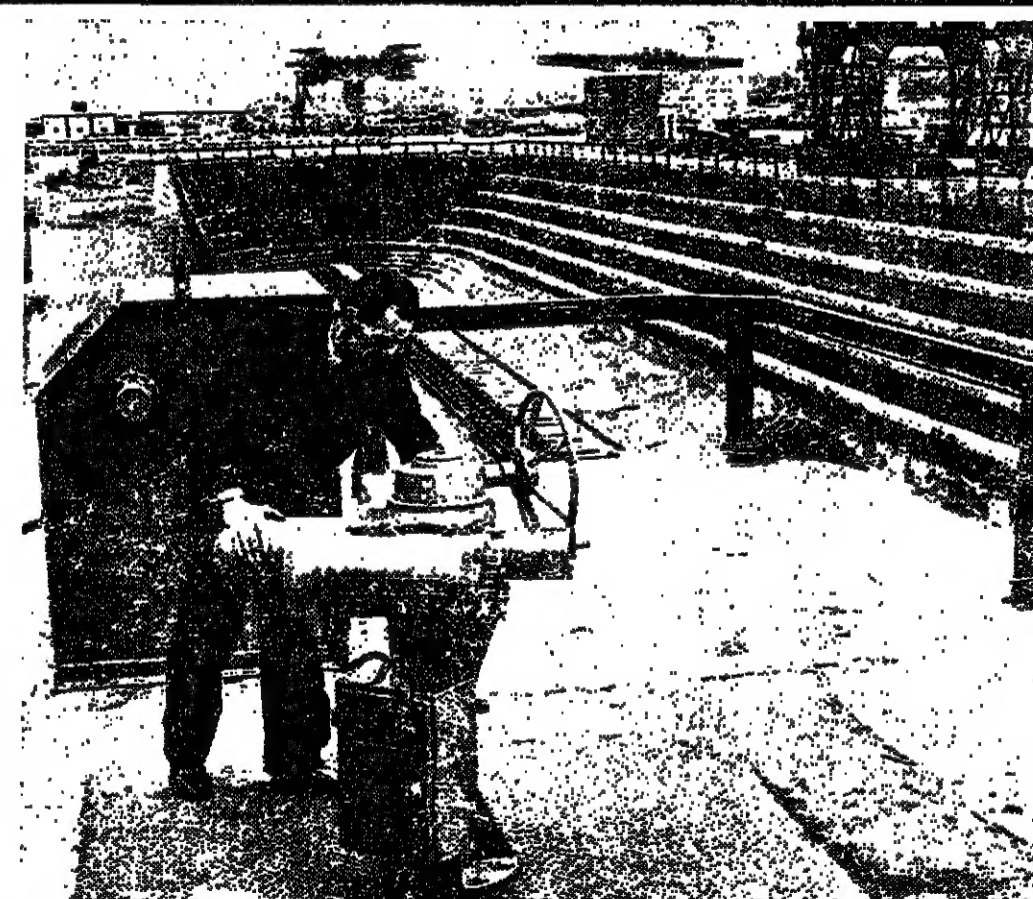
Takes a look inside

INTERNAL inspection of large batches of small hollow components can be carried out with a version of the Uniscop "flex-endoscope" endoscope made by Specifield.

Items such as hydraulic master cylinders and other small tubular parts can be quickly and positively positioned on a powered turntable. A keyed jig positions the work on the turntable, always in the same relative position, and the tip of the endoscope comes up through the central hole. Electrical controls give the turntable start-stop rotation and variable speed to suit the inspection in hand, and there is a degree scale for logging the position of any defects observed. Unlike the rigid endoscope often used for this purpose, the new tool can be adjusted for each inspection, giving a related position with the minimum of component handling. The intrinsic flexibility of the probe also means it is less susceptible to damage. More from 1A Jennings Building, Thames Avenue, Windsor, Berks (Windsor 64456).

Ultrasonics on the Avon

WESSEX Water Authority is pushing ahead faster than planned with the installation of one of the Harwell ultrasonic flow gauges on the Avon at Bath, in view of the current drought. Instead of using a calibrated weir—normal practice in the past—the system makes use of a pair of ultrasonic transmitters and receivers and a depth gauge. It has the advantage of working equally well in full flow, normal and drought conditions and of offering no obstruction to navigation. Pulses of energy are sent in both directions along a diagonal path across the river; because the river bed and the depth of water are known, the former is accurately determined before the installation is made and the latter is



Part of the recent modernisation of the 95-year-old No. 4 dry dock at Southampton included the motorisation of the two equally old pestlock flooding valves. In the foreground is one of the Synorak valve actuators now being used. The actuators, together with special shafting and a double universal joint to operate the valve stem

through a "dog-leg" connection, was supplied by the Retrofit Division of Rotork Controls, of Bath, Avon. Previously the valves were operated manually by a "T" bar and it took up to six men a considerable time to open or close them fully. The actuators now carry out the operation in about three minutes.

RADIO

Four-way FM sound prospects

GIVEN the present economic circumstances, any move by the BBC to introduce quadraphonic broadcasting that might degrade existing stereophony (which some parts of the country do not even have yet) could hardly be popular. The BBC has not been too happy with existing systems for quadraphonic broadcasting: those that have good compatibility (that is, produce no degradation of sound for those receiving the normal stereo, over which quadraphony will be "lost") have been found to produce an inferior quadraphonic effect, while those giving good quadraphony have yielded poor compatibility. Now, the BBC says it has the answer with a new system it has developed called Matrix H. The technique has apparently already been used on a recent prominent concert broadcast and a panel of experts found it to be good.

HEATING

Fuel costs reduced

ROME heating fuel oil bills could be reduced by 10 per cent. It is suggested through the use of what is said to be a new type of nozzle for oil burners. Improved efficiency is stated to be achieved by a swirling motion imparted by the nozzle to the fuel-air mixture, improving the diffusion of the oil particles through the air and almost evaporating them prior to combustion. Less cleaning is needed. The nozzle is being patented by Canadian Patents and Developments and a number of prospective licensees are evaluating it. More information is available from the Department of Energy, Ottawa, KIA 0E4, Canada.

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TRANSPORT

Container hoist lifts 15 tons

TWO NEW products will be featured by Telehoist at the Commercial Motor Show (Earls Court, September 24-October 2)—the biggest container-handling system the company has made, and an automatic, electronically timed greasing system for vehicle chassis. Taking a maximum load of 15 tons, the CH T-40 Load Lifter handles containers up to 40 cubic yards capacity. A double-arm system gives vertical and lateral movement to the container, and offers greater manoeuvrability than the "up-and-over" type. The hoist is 22 ft. wide, internal dimensions of the standard containers are 19 ft. x 6 ft. 6 in. x 8 ft. 6 in., but the equipment can handle almost any other make of container designed for self-loading. By using a cable with one end anchored to the chassis and the other to the lip of the smaller containers, loads can be discharged with the container being moved into a larger container, another vehicle or a rail truck. The company expects the equipment to go to local authorities operating high-volume waste transfer stations, but because it can handle almost any container it will be of interest to waste and scrap operators. Air operated and working with a 25V d.c. electrical system, Greasubute will also be introduced by the company. It delivers metered shots of grease at 100-120 p.s.i., at up to 150 chaps lubrication points in a pressure phase cycle of 90 seconds. The grease has been specially developed by two leading oil companies. Supplied in a screw-on disposable two-part canister, it is enclosed in a rubber sac to prevent ingress of dirt and air. Deliveries to the greasing points can be 0.003 or 0.001 cubic inch, and the electronic timer/memory provides regular greasing shots based on the length of time the vehicle's ignition is on. A warning light indicates the need for grease canister replacement. The company says a six-wheeler on typical commercial work should need only two such canisters a year. Telehoist is at Cheltenham, Glos., GL51 9SH (0242 21355).

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WEDNESDAY, AUGUST 25, 1976

Unemployment up again

THE OBVIOUSLY newsworthy fact about the unemployment figures for mid-August is the crude total for the U.K. has now passed 1.1m, and accounts for 6.4 per cent of the labour force. This, of course, exaggerates the position to some extent, but the seasonally adjusted figure, excluding school-leavers, is still 1.5m, or 5.8 per cent of the labour force. The Department of Employment, after reviewing different methods of measuring unemployment in different countries, recently came to the conclusion that unemployment in this country, even some months ago, was higher in percentage terms than in Germany, France or Italy. The relative position has probably worsened rather than improved.

That said, it must be added at once that the figures for mid-August are not nearly so bad as in the previous month. In mid-July, the underlying level of unemployment, which since the spring had been rising at a rate of only about 5,000 a month, suddenly jumped up by 38,000; the rise in the subsequent month was back to 14,000. The seasonally-adjusted figures for unfilled vacancies, too, are more encouraging, with a net rise of 10,000 against an average of only just over 1,000 in the previous months of the year. The increase in the number of vacancies looks even more marked and consistent if one considers the gross number registered each month.

Explanations

Some tentative explanations can be found for the recent behaviour of the unemployment level. The fact that it has risen much more sharply in the past two months taken together than in the four preceding months is probably due in part to the legislation which came into force in March making it compulsory to give advance notice of redundancies: the number of notified redundancies has in fact risen over the past couple of months. The fact that the August figure is so much better than the July figure, on the other hand, may be partly due to the fact that the latter included a large number of adult students who had completed their course but had not yet found employment.

Three other features of the latest figures are worth commenting on. First, the tendency for the gap to narrow between figures for mid-August is the crude total for the U.K. average and below-average unemployment is still apparent. Second, the drop shown of 4,800 in the number of unemployed school-leavers makes the position look rather worse than it is, since another 45,000 school-leavers joined the register in the latest month while some 50,000 left it. It is also possible that, while there is nowadays a good deal more flexibility about the precise time of year at which children leave school, the recruiting practices of employers have yet to change. Finally, a large proportion of the increase in unemployment over the past three months has been among women — perhaps as a result of the fact that more women had previously joined the labour force as a result of the squeeze on real family incomes.

Next year

Unemployment was expected to go on rising for some months to come. The first result of an improvement in business activity is likely to show itself in increased overtime working and the estimates of short-time working (which are admittedly distorted by the inclusion of "temporarily stopped" workers) do in fact show a decrease. The official forecast is that the underlying level of unemployment will level out and perhaps begin to fall before the end of the year. Even if this forecast is justified by events, the gross level of unemployment may move considerably higher this winter.

The real question, however, to which it is difficult at present to give any convincing answer, is how fast unemployment falls next year from a post-war peak to a more acceptable level. It will be remembered that at a recent meeting of the NEDC the Chancellor presented two scenarios for the future. The first, based on the past performance of the economy, left unemployment remaining at a high level; the second, which brought it down much further, required a much greater improvement in efficiency than past experience alone would make seem likely. Every year, of course, for the second scenario: but voting for it and achieving it are two very different things.

How not to take the drought seriously

IT IS HARD to see quite what the Government expects the public to make of yesterday's decision to make Mr. Denis Howell the Minister with special co-ordinating responsibilities for the drought. Although water supply has been one of Mr. Howell's Ministerial responsibilities since the appointment to the Department of the Environment as a Minister of State more than two years ago, the Ministerial name which lately has come to be identified as in charge of the Government's response to the deteriorating water situation has been that of Mr. John Silkin, the Minister for Planning and Local Government, in the same Department.

Mr. Silkin is in the Cabinet whereas Mr. Howell is not. The official explanation yesterday was that Cabinet Ministers like Mr. Silkin have too many other matters on their hands to be able to concentrate on the day-to-day co-ordination of drought measures whereas Mr. Howell, who is presumably rather less heavily employed now that the Olympics are over, is much better placed to give the water situation his single-minded attention.

Potential

This will just not do. The potential seriousness of the situation has been gradually dawning on everyone as the drought has become more protracted. If the point has now been reached where emergency action involving several Government departments appears to be called for then the role of Ministerial co-ordinator requires someone carrying far heavier political guns than a relatively junior Minister like Mr. Howell. If that point has not yet been reached and this still seems to be the position then the public are not likely to respond very kindly to the news that

Mr. Howell has been given responsibilities which he has been exercising all along.

Economy

In the short-run there is little that the Government, the water supply industry or anyone else can do to deal with the water shortage other than to appeal for economy and, as and when necessary, to impose restrictions of the appropriate local severity upon consumption. Here and there it may be possible to arrange for extra supplies to be moved in but the response will be formidable and the effect upon the local situation will be marginal. Now that the Government has laid down the broad overall priority between agriculture, health, and industry on the one hand and ordinary household needs on the other, day-to-day implementation is best left to the regional water authorities with the advice of the local liaison groups which have been set up with industry and local authorities. If they wish to seek political guidance on particular priorities then both the industries concerned and the Government will want the decision taken at a senior level.

The same point applies to the longer-term issues which the drought has raised. It is now clear that, unless there is an abnormal amount of rainfall during the coming winter and next spring, restrictions on water usage will have to be maintained in many areas for much of 1977. If it appears that a larger margin of reserve water supplies should be provided on a permanent basis than our climatic experience has warranted hitherto, then the choice of no water storage and distribution capacity, the financing of that investment and its effect upon water charges, and the most appropriate structure for the water supply industry will all be matters of major political import.



David Fishlock examines devices to allow Britain's factories to re-cycle the water they use.

Ways industry can beat the drought

WHETHER OR not it makes good advertising sense to borrow the crisp "Save it" slogan from the Government's energy conservation campaign, there can be little doubt how closely the threatened water shortage parallels the U.K.'s energy worries during the days when it still rained. The chief difference is that a national water conservation campaign would not have to overcome the effects of long promotion of the use of water. However, this was scarcely necessary when we were all brought up to believe that generous application of the "universal solvent" was a good thing.

A water conservation campaign, however, would have to tackle widespread profligacy in water usage. It would also have to face the fact that some industries—textiles, for example—owe their origins in particular places to once-abundant supplies of water.

For industry, threatened with the possibility of a reduced working week, arguments over past failures to overcome environmental objections and build more reservoirs, or to overcome electricity industry objections and use waste heat for desalination, are quite irrelevant now. What it wants are measures that can be taken quickly—and preferably inexpensively—that will keep the factories running.

Most of the proposals that have been drawing the headlines can be quickly dismissed: rainmaking (no clouds), desalination (takes too long to build plants), water by tanker (too costly) and boreholes (depends whether a factory has any water to tap and on its quality).

The cost can be offset

The message from the handful of water experts, whose calls for conservation have so long gone unheeded, is optimistic. There is a great deal that industry can do—and do quickly—to help itself use less water. What is more, a little foresight in accounting will show that the cost can be offset not only against the risk of losses if the working week is curtailed, but against a water rate that will surely take a further leap upwards next year, to pay for increased capital spending and, if it goes on much longer, for the cost of administering measures against the drought.

One of the most valuable reserves of advice is the industrial research associations, some of which—especially those concerned with textiles—have been taking a strong interest in water conservation measures for several years. The leading light in this area is Dr. Jack

Leicester, who as the ebullient director of the British Launderers' Research Association, set up the Effluent and Water Advisory Committee (EWAC). To-day EWAC includes about 18 research associations, several Government departments, the CBI and the U.K. Atomic Energy Authority.

Dr. Leicester, to-day an industrial consultant and EWAC's chairman, admits that he failed to persuade many laundries of the value of his novel continuous processing technology with its built-in facilities for minimising the demand for water. But he is convinced, none the less, that even the two-thirds of the industry still using batch-processing methods could, for a small outlay on tanks, pumps and pipework, re-use the almost clean final rinse water at the start of the laundering process.

In laundering, this "counter-flow" use of water can reduce the water demand by more than half, claims Dr. Leicester. Still more to the point, it is a measure many disparate industries can use—textiles, metal finishing, food processing, for example. Each would have to tailor the counterflow principle to its own requirements, which may include disinfection (for food) or storage. But the main points are that it requires little more than the skills of a plumber to install, and can make an immediate reduction in fresh water demand.

Technically feasible. Again, a particular contaminant may produce its own corrosion or fouling problem. A company making cement products has recently asked the advice of the Water Research Centre on the re-use of water squeezed from its newly-moulded products by hydraulic presses, where there is a risk that oil from the press could adversely affect the products' properties.

The Water Research Centre is one pool of U.K. advice of many years' experience in permutating water technologies. A national laboratory supported mainly by Government grants and the Area Water Authorities, the centre spends about £5m a year, split between water supplies and water reclamation. It admits that, although it is technically feasible to purify almost any kind of waste water to-day, using one or more processes that can now be considered well proven, cost is, or has been, a serious deterrent. Individually, the processes may treat water at a cost no greater than (and even below) that demanded by the Water Authorities. But if the water has to be put through two or three stages to achieve the desired purity, this can put the price out of court.

Reverse osmosis provides a good example. The technology of reverse osmosis has been brought to an advanced stage of development in the U.K. by a long standing partnership between Patterson Candy International and the Harwell laboratory of the U.K. Atomic Energy Authority. In essence, the idea is to pump water through a thin plastic membrane, so contrived that it affords almost complete separation of water from everything in solution. It can yield a product

almost as pure as distilled water can be run through the rig, yielding the basic data about its particular idiosyncrasies, from which an appropriate water reprocessing plant can be designed. Even in normal times, they contend, such plant can pay for itself from reduced water rates and the value of the solids recovered.

On the other hand, reverse osmosis cannot cope with more than fairly low levels of contamination. A mine water or sewage may need a preliminary cleansing operation by cruder methods of filtration. Moreover, if the final product must also be drinkable or is to be used with food processing, a further stage of sterilisation will also be needed. The outcome can easily be a water cost several times the going rate, for water of a quality higher than is really necessary.

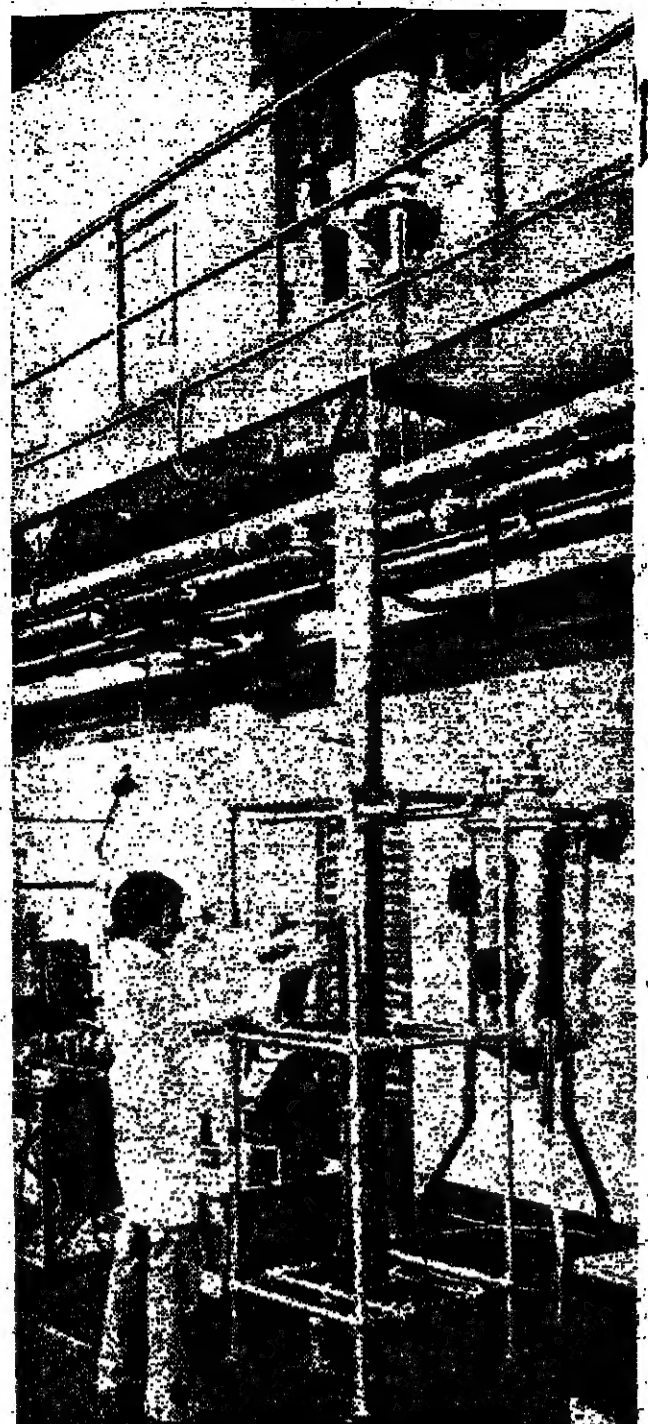
ICI is the first major industrial user of reprocessed sewage as a water supply in the U.K., at its Avonmouth operations. The company has a subsidiary, ICI Pollution Control Systems in Cheshire, marketing technology for the treatment of dirty water. Quite independently, however, its Brixham Laboratory in Devon provides a consultancy service for all divisions of the company and also for other companies on water problems.

Similarly Harwell, the U.K. Atomic Energy Authority's big laboratory in Berkshire, works closely with EWAC. Dr. Leicester's industrial advisory committee, to provide advice based partly on its experience as a major and highly sophisticated industrial water consumer. The laboratory normally takes 1m. gallons a day from the Thames and purifies it to potable quality. It also carries out its own studies of advanced water treatment technology. One problem Harwell anticipates once the rain starts to fall again is a high nitrate content, deriving from both natural and artificial sources, flushed out of the parched soil, which its present water technology will not extract. Therefore it plans, with the permission of the Thames Water Authority, to use boreholes adjoining the laboratory.

In the 1960s the U.K.AEA managed a major Government-sponsored development effort to develop a range of new water treatment technology, aimed chiefly at helping industry to open new export markets for desalinating sea water for arid nations. The programme, worked closely with such U.K. companies as Simon Carves, Alton, and Patterson Candy International.

Insurance policy

Since the escalating chemical plant and fuel costs have militated against most of the processes under investigation, at least in a U.K. context. For instance, no matter how cleverly you design a flash distillation



Food industry scientists are inviting manufacturers to test their ideas for purifying waste waters on apparatus at the Food Research Association at Leatherhead.

process, the fuel costs alone can add up to £1.60 per 1,000 gallons — much more than fresh water costs in Britain to-day.

Britain has but one commercial flash distillation plant purifying sea water, the 1.5m. gallons per day flash evaporator built by Weir-Westgarth in Jersey, where it has been operating very successfully each summer since 1970. On an island that lacks natural conditions for water storage, the plant is an insurance policy against the risk of losing either tomatoes or tourists in summer.

Mr. R. G. Cole, a partner in the firm of consulting engineers for this plant, recently stated the case against building more of these plants in Britain. Plant costs have more than tripled, and fuel oil costs have quadrupled since the plant was commissioned. He estimates that the water cost would average about £3.50 per 1,000 gallons for a continuous output, and could easily double—owing to the high maintenance necessitated by corrosion—if the plant were operated only intermittently, as is the Jersey plant.

In any event, big desalination plants would take 18-24 months to build and thus could offer no short-term solution. Even small plants, of a size that might interest individual companies, would take six months or more to construct, and the U.K. might run into serious capacity problems with such plant components as salt-resistant tubes for evaporators, or brines for reverse osmosis.

Quicker and simpler means of alleviating the drought, if found in circulating water systems—in effect, evaporators in which hot air is being sucked up by a cooling tower while a spray of water is being put into service—might be put into service in a matter of days and place no special strain on supplies. Meanwhile, as engineer points out, "the fashioned spray ponds we have to know and curse—they save water." Spray ponds, although quick and easy to construct, were abandoned environmentally less acceptably than cooling towers.

The conclusion must be that as with energy—advanced technology has nothing to offer way of quick solutions to drought that threatens, and baby little to offer even now ahead of a few years. Science spawned no simple way separating water from its taint that can rival in nature's continuous distillation technology looks no better than a branch of rather than chemical engineering. As with energy, and perhaps, would take six months or more to construct, and the U.K. might run into serious capacity problems with such plant components as salt-resistant tubes for evaporators, or brines for reverse osmosis.

MEN AND MATTERS

Haydon volunteers for Dublin

"I'm not scared to go to Ireland. I have always been interested in the country and shortly after Ambassador Ewart-Biggs's tragic death I let it be known I would be happy to take over. I was in line for a promotion at the time and knew which postings, more or less, were available."

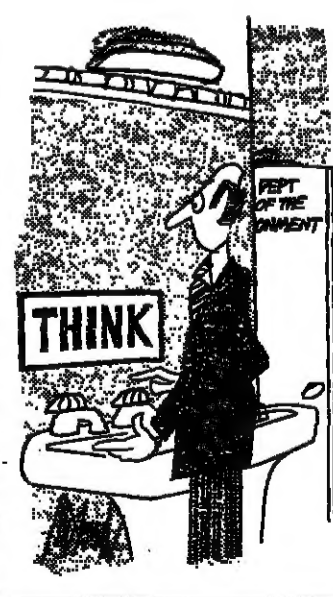
This was the forthright response yesterday of Robin Haydon, currently in Valetta as High Commissioner in Malta, to the question of his replacement as Ambassador to Ireland. The adjective commonly used to describe Haydon has been "joyful." There must be plenty of grit in his character, too.

In his willingness to speak up publicly, his style is the same as that of Ewart-Biggs and a contrast to that of several previous Ambassadors to Dublin. But then Haydon continues the policy which began with his assassination predecessor's appointment of upgrading the Dublin job, previously regarded as a retirement posting. Also reinforcing the impression that this is an Ambassador whom the Irish will get to know about quickly is Haydon's Foreign Office background, with a bias toward jobs in public relations, stretching from an assistant Press attaché's job soon after he joined in 1946 to being head of the News Department from 1967 to 1971.

He then got his first Ambassadorial posting, to Malawi, but was called back in 1973 to become the second former head of the News Department to be installed by Edward Heath as chief press secretary at No. 10. When Labour came back to power, the politicising of the No. 10 appointment became clear when Haydon was replaced (the Malta job coming up three months later). Haydon had had less than a year in Downing Street, but that year included Sunningdale, so while he said yesterday that he did not claim to be an expert on Irish affairs, he is not a novice either, and Sunningdale will have involved contacts with Dublin as well as the Northern Ireland Office.

Much of the talk between Dublin and London on terrorism, particularly in this period of wide divergence between British Government and British Army opinion, is naturally done direct, rather than through an ambassador. Indeed a large part of Haydon's job in Dublin will be taken up with something very different, the lengthy exchanges between fellow EEC members on what is happening in Brussels.

But in picking Haydon, 56, for this job, Britain appears to have decided that it needs someone to put its Northern Ireland case forcefully and publicly.



Its decisions seldom meet with complete approval. Take the new accounting standard on the valuation of stock and work in progress, for instance, which comes into force this year. The standard allows companies to take profit on contracts before they are completed. Some accountants find this unacceptable, Norris is one of them. He also feels the standard is too vague about how profit should be calculated.

Norris also has objections to another standard, that on deferred tax, a crucial one for property companies (and apart from Wimpey's growing property interests, Norris knows all the issues as a director of Oldham Estate, whose accounts were qualified on just this point). The ASC, as disclosed yesterday, has climbed down on its deferred tax standard, postponing its implementation until the Morpeth Committee reports. It seems that when Norris received his invitation to join the ASC, he made it clear that

his views on these two issues, and on others like the treatment of associated companies, would not change. But somewhere between an announcement in late June that Norris would be joining the committee and now, when he should have started working on it, there was a parting of the ways. He won't be joining. Neither side wants to go into details about the unfulfilled appointment.

Norris emphasised yesterday that his views on the stock valuation standard were not necessarily those of George Wimpey but he could not say whether Wimpey's 1976 accounts will comply with the new ruling. If Norris has his way they probably will not and auditors Deloitte and Co. may be expected to qualify their report.

On the deferred tax issue, where many auditors anticipated formal implementation of the standard and, on the basis of the draft standard, had been merrily qualifying accounts for some time, there may be one more wrinkle. An ASC meeting has decided to postpone implementation, but that decision has to be backed by a postal ballot of the full ASC which now, with Norris's empty chair, numbers 22. The decision to withdraw needs a two-thirds majority. It is just possible that there are enough hard-liners to veto the withdrawal. The ballot papers go out to-day and we should know the result before the end of September.

Beyond them

What would happen if all the graduates of the London School of Economics were laid end to end? They would never reach a conclusion.

Observer

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Adrian Hamilton has just returned from Sweden, where he has been studying the Swedish equivalent of the NEB.

Problems of a state-owned conglomerate

Swedish state enterprise, the mines-to-drugs group, has for long been held up as the example of a well-run public sector. But the U.K. National Enterprise Board should be so that the Swedes could be forgiven for becoming bored with the "trampling" of the state. Just as they could be forgiven for becoming irritated by the outside's refusal to let the company in its own way.

At the same time, more and more, the state-owned enterprise has become a source of frustration to the public. It is not the government's aim to make commercial logic intervention become a world recession have been clearer in Sweden, so the criticisms of politicians the role of their State.

In the past eight months there has been a continuous and trying argument between executives of Statsföretag, on acting on commercial

imperatives, and the politicians, intent on unloading on to the company all the political and social problems associated with ship-building, steel-making, and the nuclear power industry.

Mr. Per Sköld, Statsföretag's managing director, has argued from the beginning that, while he is ready to take on these problems, it can only be after the Government itself has decided what its objectives are and after he has agreed what "social" price is to be put on the achievement of those aims.

Politicians of the ruling party, for their part, have increasingly expressed dissatisfaction with this calvinistic view of the State's role to act primarily on commercial lines and they have questioned both the size and independence of the organisation that they have created.

After a series of inconclusive confrontations with the state company, Mr. Rune Johansson, Industry Minister, is reported to have suggested that not only Statsföretag growth too large to control, but that it ought to be split into separate divisions for steel, ship-building and pharmaceuticals and oil, which would be managed more easily for the national good.

It would be easy to exaggerate the tensions in a society which—on the one hand—the political atmosphere where the ruling party has been seriously challenged in popular favour for virtually the first time in over 40 years—remains one based on consensus and inter-party agreement on industrial affairs.

Yet, recent events form a watershed for Statsföretag and raise the question of what its role should be after six years' existence.

Those six years have been spent largely in getting the

OPERATIONS OF THE STATSFÖRETAG GROUP

	Number of companies 1975	Sales (Skr million) 1975	Results (Skr million)* 1975	1974
Mines (LKAB)	1	1,246	2,042	314
Steelworks (NJA)	1	968	794	-177
Shipyards and engineering industry (UDDEVÄLLAVARVET, KARLSKRONAVARVET, SMT-PULLMAX, etc.)	4	1,024	945	51
Forest and wood industry (ASSI, etc.)	5	1,544	1,719	62
Chemicals (BEROL KEMI, etc.)	3	876	857	38
Consumer goods industry (SWEDISH TOBACCO)	1	811	629	212
Service companies (ABAB, etc.)	4	859	696	6
Development companies (SVETAB, etc.)	3	73	211	-14
Other companies	4	140	108	-33
TOTAL: subsidiaries	30	8,141	8,203	452
Statsföretag AB	1	—	—	-80
Internal deliveries and elimination items	1	218	140	-51
TOTAL	31	7,923	8,063	321

* before allocations and taxes

began to bite last year. Sales suffered accordingly. While the volume of investment just the loss itself but the deeper problems associated with the heavy industries on which the group is dependent. These, in turn, will require heavy investment to overcome. LKAB is having to mine at increasing depths and to invest more and more in processing equipment to keep its place in world markets. It is also involved in an ambitious programme of diversification into oil, industrial minerals and possibly uranium. ASSI has been hit by declining demand, particularly in the construction industry, as have Statsföretag's direct construction subsidiaries. Its shipyards, while relatively well off for orders at the moment, face a bleak prospect. Worst of all have been the problems associated with its steel subsidiary, NJA. This has not only been making substantial losses but

has also managed to make politicians enthusiastic over an ambitious but dubious commercial project for creating major new steelworks in the north at the cost of over SKr1bn. in a familiar pattern of management resignations and hidden losses, investigations this year have revealed few chances of the company ever achieving profits even without the new project. With new expenditure, the problems seem virtually insuperable.

Statsföretag's executives seem reasonably confident that, if left to themselves, their problems can be overcome by balancing the successful against unsuccessful parts of their conglomerate, and also by forcing the Government to pay the full price for any non-commercial decision to continue steel-making in northern Sweden or ship-building in the west. Having gone so far down the road of developing a commercial holding company, there are some executives who would see the company progressing along commercial lines, perhaps selling off certain parts and possibly even putting the group's shares on the market.

But even within this self-reliant concept, the company would still be forced to decide —if nothing else because of the overall financial constraints it is approaching—whether to put its major investment into its declining heavy end, thus becoming a lower-growth holding company for Sweden's industrial sectors which cannot survive without major capital injection, or to put its money increasingly into newer and higher-growth industries to replace the declining ones.

There are those within it who feel that it can do both. But on the basis of its present size and financial strength it would seem doubtful.

Nor is it by any means clear that it will be, or ought to be, left alone to decide this future by itself. To date, Mr. Sköld (who has already shown himself prepared to fight hard for his principles when he resigned from the Board of NJA rather than accept responsibility for the new steel project), has fought a fierce and successful action against Government intervention. He has refused to take on any new responsibilities in shipyards until a commission has produced a national strategy for the industry and Statsföretag's role in carrying it out can be costed (a study which will take a year or more to complete). He has argued vociferously for Government aid to meet NJA's continuing losses and has publicly stated his objections to the new steel mill project and he has hammered home again and again in private and public his company's primary duty to act along commercial lines.

The Government's objections to this line stem from more than mere irritation with such inconvenient obstinacy. However tentative, the Industry Minister's proposals to merge the successful LKAB's operations with the loss-making NJA and to break up effectively the company into more easily managed divisions raise two questions. First, can a clear line be drawn between the commercial and the social be pursued in a state company at a time of industrial change? Second, can a conglomerate—holding such a variety of different state holdings, each with its own political as well as commercial imperatives—be made to work.

It is ultimately these questions, rather than the experience of Statsföretag's management to date, which pose the nearest parallels with the NEB. In

form, the two groups are too different to make easy comparisons of performance. In Sweden, Statsföretag acts as the equivalent of nearly all the British nationalised industries, many of its authorities and all of its state company holdings rolled into one. After six years, it is only just beginning to face the question how and where it develops next and neither Government nor company is anywhere near making a firm decision.

In the U.K., the NEB is charged with only a small part of Statsföretag's functions and has been saddled at its inception largely with the loss-makers without being set the commercial priorities which Statsföretag has been given. It has been established less than a year and is still facing the problems of recruitment, structure and relations with subsidiaries which Statsföretag took four or five years to settle.

There are certainly lessons for the NEB in the way that Sweden has introduced a system for tendering for social cost cases just as there are lessons in the way Statsföretag has controlled and reorganised its subsidiaries. But as the Swedes grapple with the problems of what to do with shipbuilding and whether to invest in further steel-making plant on a large scale or not, they admit that they, no more than anyone else, have found the final solution to state intervention or its purpose and cost. The real difference with the U.K. may lie simply not in the answers that have been found but in the fact that in Sweden further State intervention and investment is being challenged on grounds of commercial logic before they take place rather than after.

tion of The Magic Flute, Coliseum Theatre, W.C.2, 7.30 p.m.

MUSIC

BBC Symphony Orchestra, conductor Andrew Davis, with Janet Baker (mezzo-soprano), John Mitcheson (tenor), Chigirian String Quartet and Lindsay String Quartet, perform Mendelssohn (Octet) and Brahms (Das Lied von der Erde), Royal Albert Hall, S.W.7, 7.30 p.m.

SPORT

Golf: Seniors' amateur championships, Ascot; British girls' championships, Fyfe and Kinross; Fordham, Swimming: National championships, Crystal Palace; Yachting: Three-quarter Ton World championships, Plymouth.

Letters to the Editor

Water on the ether

Sir John Arbuthnot, West Folkestone, Kent

Professor E. Wilson (15) spoils his argument of metering of domestic supplies by an unworthy reference to our water engineers as motivated in their advice by interest.

The facts are that some 80 per cent of the cost of water supply is to find capital equipment to bring water to the tap at all. It is only the remaining 20 per cent cost that could equitably be subject to variable metering.

Unlike electricity or water, meters have a very short life in which they are accurate. The capital cost of their replacement, to which is added the salaries and wages of staff required to install them, would, in this more than double the water rate charge, and for high consumers who ready metered, would be uneconomic.

Irishness, Terry Gordon, London, Kent

range of charges

he General Manager, British and East Denbighshire Water Company

The letter from Mr. C. son (August 18) clearly states that the present tariffs charged water supplies to domestic consumers operated by water authorities offer no way to save water and this is the case in the more than 100 water companies in Great Britain. It is for this reason that my company, as from 1.1.1977, will be the same tariff to domestic consumers as to industrial consumers. The tariff will be based on one of the standard water rates upon rates value or on quantity of water at standard rate per cubic foot whichever is the greater. The tariff will be attractive to households whose premises are of a value greater than 50 per annum and where only four people or less live in the house and the consumption is not more than 30 gallons per head.

me elapses, the company to reduce the minimum charge which must be paid for one quarter in order to use water economically. I am sure that this will be a more attractive lower-rated premises.

on, Wrexham, Wales.

ding le

tr. D. Foster, We-British-wastewater, especially when we get empty. The only way to use water economically is sufficient for industry (pulp jobs), is to have a rate each user-unit (house, etc.) and charge a rate per 1,000 gallons used. This could be on a sliding scale (the lower the reserved in terms of the number of days' supply left) the charge. This would be a control of water use. Meter costs could be reduced by a quarterly

Scope for recycling

From Mr. C. Simmonds

Sir—Could not the charge of the CBI and TUC trooping along to Government on every issue be laid to rest. Neither can speak for the whole of industry particularly in such a sensitive area as water, where needs between one factory and another are totally different. Much better in the absence of a water grid to leave negotiation relative to water consumption relative to water available in terms of known reserves and the need for recycling can be matched for that area. It is the scope for recycling, which exists in so many companies, that must be seized upon without delay.

Charles Simmonds, 21, Ludlow Ave., Luton, Beds.

Unfair to Cavendish

From Mr. E. Bunting

Sir—Seeing an announcement of House of Fraser's profits, and the fact that the directors attribute this to the venture (August 21) may I venture to suggest that House of Fraser has made the mistake of thinking big is beautiful?

When House of Fraser acquired Cavendish House here in Cheltenham, and announced its intention to change the name to Rackhams, local opposition asserted itself, and the company agreed that the name should be retained, but bags would be sold to each Rackhams and Cavendish House on then.

Since this time the company has complied with its pledge, however, Rackhams is in large part very much subdued in size. One wonders when the name will disappear for ever.

In view of this, might the directors attribute some of their loss to a national unification plan? Many people have made this mistake before, of forgetting to take account of the consumer. The same mistake is made in industry, where we hear of "both sides of industry" being consulted. How can one consult "both" of three (at least) sides?

Edward I. Bunting, Exeter Villa, Cheltenham Road, Cheltenham, Glos.

Safety at work

From Mr. D. Gregory

Sir—While I can readily sympathise with Mr. John Dunster's inability to comprehend the characteristic way in which the majority of the British work force regard safety and the taking of safety measures as being somehow "cissy".

"Tougher controls to boost safety" August 18, one can, on the other hand, fully appreciate the public's so-called "irrational sense of outrage" towards "certain kinds" of risk. Indeed, some of the utterances ascribed to Mr. Dunster in your article could be better occupying his time collecting fares or examining and punching tickets of travellers from Exeter to Barnstaple. No doubt this little story could be duplicated at numerous other stations.

Both the management of British Rail and the unions must be more realistic about the long-

term future of the railways

and the long-term future of the employment of the majority of members of the railway trade unions. Overmaning must be brought to an end if more branch lines are not to be cancelled.

P. H. Heath-Saunders, 36, Brackley, Queens Road, Weybridge, Surrey.

Surtax warning on pay packets

From Dr. E. Bateman

Sir—An oil-rig worker, interviewed recently on BBC radio, said that he was saving to buy a house. He explained that this would not take long as he earned £400 a week and received £280 after tax. Presumably he had never heard of the higher rates of income-tax. Should not every weekly pay packet carry a Government surtax warning? It would be interesting to know how much annually the Inland Revenue collects in higher rates from highly skilled craftsmen who are well paid for their long hours on difficult and dangerous work.

E. H. Bateman, Sandridge Cottage, Upper Bourne, Farnham, Surrey.

Auctions of wine

From The Wine Correspondent, Catering Times

Sir—The changing position in the wine auction market has gained significance in two principal ways that are referred to in your correspondent's review of the wine sale season (Mr. E. Penning-Rossell, August 10).

Firstly, there has been fragmentation of the London wine saleroom with three more auctioneers beyond those referred to. With sales sometimes around £11,000 gross per auction, buyers have had both a greater variety of choice and a greater selection of wine after its declaration, and, further, houses to select from.

Secondly, his review refers to the overseas saleroom but not to the growing number of regional auctions in Edinburgh and Birmingham. Readers may like to know that the geographical spread which includes sales from Bristol and Cardiff to Liverpool, Worcestershire and Suffolk—is supported by generally lower commission rates, quicker cataloguing entry and cheaper delivery charges by comparison with the main London houses and that the timing of each sale is usually more convenient for private vendors or purchasers. The significance of this has been already seen by at least one London house recently acquiring a West Country saleroom.

Philip Shaw, North House, 93-99, Goswell Road, E.C.1.

Overmaning at British Rail

From The Managing Director, Investment and Financial Analysts

Sir—As one of the travelling public, my own observations are that British Rail grossly overmanned and that the unions will have to accept a reduction in staff as a quid pro quo for a standard in travelling fares and hence the long-term future employment of the majority of their members.

May I give you one instance of overmaning which was brought to my notice by a member of British Rail? There is a branch line from Exeter to Barnstaple which is manned by a driver and a conductor, both of whom sit in the front cab. Outside holiday periods, the guard—or conductor, as he is known—has nothing to do but talk to the driver, admire the beautiful scenery and exchange jests with the staff of those few stations which are still manned along this very beautiful piece of railway.

When the small branch reaches Barnstaple, one goes through the usual procedure of queuing up to leave the station, when one finds that there is a booking office at Barnstaple which has a full-time staff of five. It was suggested to me that these five men were surplus to requirements inasmuch as the conductor could be better occupying his time collecting fares or examining and punching tickets of travellers from Exeter to Barnstaple. No doubt this little story could be duplicated at numerous other stations.

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COMPANY NEWS + COMMENT

Fairclough rises to £2.41m. midterm

FIRST HALF 1976 profits of Lennard Fairclough have risen from £1.5m. to £2.41m. on a turnover of £14m. higher at £30.32m.

The group (civil engineers and building contractors) has obtained as much work as could reasonably be expected during the first six months of the year. The work is still at a good level.

The carefully conserved cash resources have been maintained consistently at or above the 1975 year end figure, the directors state.

The building work of Parkinson in the south east of England continues to be the "biggest headache," but the directors are dealing positively with this to put it on a sound basis.

The already declared intention to seek work overseas is now turning to reality with the award of a further contract for harbour works in Kenya, a state made in Iran of a project management contract and the award of further valuable work in Saudi Arabia.

Additionally, the tunnelling activity is now established in France and "we are expecting to become involved in other European markets during the year."

Earnings are shown at 12.5p (11.4p) per 25p share basis, and 12.1p (10.5p) fully diluted. The interim dividend is stepped up from 5.5p to 6.5p.

Statement Page 13

See Lex

London Scottish Finance

The net proceeds, amounting to some £18,000, of London Scottish Finance Corporation's share subscription agreement with FIMS, whereby FIMS has taken 20 per cent. of the London Scottish share capital, will initially be applied in reducing short-term indebtedness, say the directors.

This will have the immediate effect of reducing the burden of finance charges and in the longer term the broadening of the capital base will increase the company's ability to take advantage of opportunities for expansion available to it in meeting demand for its services.

The directors say that the terms of the subscription are fair and reasonable and the agreements are in the best interests of the company.

"They intend to vote in favour of a resolution, to be put at an EGM calling for the approval of the agreements, in respect of their beneficial holding of 1,678,058 Ordinary shares (41.1 per cent.) and recommend Ordinary shareholders to do likewise. A wholly-owned subsidiary, Samuel Montagu, owns 12.1 per cent. of the Ordinary and has indicated that it intends to vote in favour of the resolution."

HIGHLIGHTS

The rise by three-quarters in the interim results of the engineering group Mather and Platt, rather overshadows the mere 9 per cent. rise in the Weir Group's interim figures. Mather and Platt's performance was achieved partly through energetic cost-cutting. Lex also comments on the much-improved interim results from L. Fairclough, where profits are higher by a third, and the defence document issued by U.K. Optical in its fight against Pilkington. Elsewhere, Houchin preliminary figures have lifted the group's profits off the plateau of the past four years. A strong second-half performance at the Restmor Group produced slightly higher profits for the year. Nurdin and Peacock has produced strong interim figures but there are worries about a saturated market in wholesale cash and carry. There is more optimism at Automated Security which produced outstanding interim figures.

Automated Security first half

WITH TURNOVER up 30 per cent. and a profit growth of 35 per cent., the directors of Automated Security (Holdings) say the first half to May 31, 1976 has seen a steady demand for the group's products and services, and present business activity indicates this trend continuing for the rest of the current year.

First half turnover rose from £310,000 to £1,066,000, and pre-tax profits were up from £54,000 to £114,000. In the June prospectus, the directors forecast profits for the year of not less than £250,000 against £241,000 in 1974-75.

As expected, the net interim dividend is 0.1625p net—a total of 0.85p is anticipated. First half net earnings per 10p share are 0.07p (0.04p) and 1.31p (1.03p) before deferred tax.

Profit margins have been maintained in the first six months, the directors say, and the incorporation of the Shipton systems bought in April this year should assist profits in the second half, with the major benefits of this acquisition flowing through next year.

Formerly Vah Products, the group underwent reorganisation, changed its name and applied for re-listing in June this year.

First half 1976
Turnover £1,066,000
Profit before tax £114,000
Current tax £18,000
Deferred tax £12,000
Set profit £84,000
Interim dividend 6.5p
Retained 18,000

● comment

Automated Security looks well placed to maintain the 35 per cent. growth rate achieved in its first half, and pre-tax profits this year should reach £250,000 against a forecast of £241,000. The company's systems on hire with rent reviews coming every year and new installations running at about 13 per cent. (though much more in money terms as systems become more sophisticated). So AS has had a very healthy year with very few effective cancellations while the installation charge ensures a

positive cash flow. This year the Shipton acquisition will make a small contribution, but in 1977 the full benefits should be felt of grafting 1,500 systems on to the company's existing network. Beyond 1976 the expectation is for continued growth and £1m. pre-tax does not look impossible for 1977. The shares have traded in a narrow range since their June results, but could be in line for a re-rating. Meantime, shares at 10p yield a prospective 10 per cent.

Confidence at Crown House

A FLEXIBLE financial base and a freedom from short term debt will be used to strengthen the market position of Crown House, and barring difficulties will bring better figures in the current year, say chairman Mr. P. Edge-Purinton.

In the glassware division, noticeable improvement in the export field coupled with planned wider penetration of the domestic markets, gives grounds for optimism, he states.

If economic conditions improve, the year at Crown House Staff Services will be a better one, members are told.

At Crown House Properties, a further development at Cambridge and another at Wembley will shortly begin but neither of these will be completed until 1977-78.

"The directors policy, of starting contracting activities in any new area in a small way and developing them as experience is gained and satisfactory results achieved, will be continued as opportunities arise in the future."

In glassware, the policy of expanding export coverage will be continued, but the directors will also be aiming to achieve an expansion in market penetration in the domestic field in this country.

A property revaluation carried out on March 31, 1976 revealed that at £1,452,600 the value is lower than book value by £24,244. The book value has accordingly been adjusted in the accounts, and the deficiency deducted

from the unrealised revaluation account.

The directors are to recommend the consolidation of the company's 10p Ordinary shares into units of 25p and they also propose a bonus issue on the basis of one new share for every ten old shares held before consolidation.

As reported on July 13, taxable profit for the year to March 31, 1976 expanded from £1.63m. to £2.08m. and earnings per share rose from 2.5p to 3.1p.

Statement Page 13

E. Le Bas sees little change

REPORTING first half pre-tax profits up from £368,000 to £421,000 on turnover of £6.85m. against £6.37m., the directors of Edward Le Bas say that profits for all of 1976 will not be materially different from last year's £395m.

Export orders continue to be satisfactory, they tell members, but home market orders remain disappointingly low.

First half earnings are shown to be up from 0.81p to 7.5p per 25p share or from 4.76p to 3.51p fully diluted. The interim dividend is raised from 0.735p to 0.812p net—half the maximum permitted for the year.

Last year's final payment was 0.74p.

First half 1976
Sales £6,850,000
Profit before tax £421,000
Current tax £68,000
Deferred tax £12,000
Set profit £341,000
Interim dividend 8.12p
Retained 14,000

Houchin leaps to £0.93m.

A £0.37m. upsurge lifted pre-tax profits of Houchin to £0.93m. in the year to April 30, 1976. At half-year an improvement from £380,468 to £311,758 was reported.

Turnover expanded from £2,540,000 to £4,490,000, tax absorbed £478,400 (£313,358) leaving the net balance at £447,008 compared with £178,034.

The group manufactures ground equipment, for electrical services, loading and starting of aircraft.

● comment
Houchin's 1975-76 performance has lifted profits off the plateau of the past four years. At the interim stage, it is estimated that export growth was going to provide the main boost, but the 138 per cent. rise in the last accounts, but are expected to pick-up sharply this year, since they currently represent around 70 per cent. of the group's order book. Although profits growth will inevitably slow down in 1976-77 the interim profits at least are expected to show a significant improvement.

Liquidity still strong—at the year-end the group apparently had nil borrowings and around £0.4m. of cash—the immediate outlook seems bright. The shares jumped 4p yesterday to 86p, where they yield 8 per cent., covered more than six times on a p.e. of 3.1.

One factor which will undoubtedly influence Beyer share-holders is the sharp market drop (a fall of 15.6 points by the 30 share index) in the past two trading days, enhancing the cash aspect of NCI's offer.

Referring to the absence of profit forecasts from Beyer, the spokesman said that some "hard facts" were needed to prove that the offer of 25p was anything other than an extremely generous price.

Mr. Charles Ball of Barclays Merchant Bank, advisers to Beyer, regarded only 4.7 per cent. acceptance after three weeks as a "moral victory" and maintained that NCI had not yet shown why it was more competent to run Beyer than the present management.

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As a result of disposals the group has now been broken down to two main operations: The Liverpool Grain Storage and Transport Company and Dickies Discount.

Chairman Mr. John Leworthy says in his statement: "It is to the former which we look principally for a solid asset base and to the latter for rapid but controlled growth in both turnover and profits."

Dickies Discount is already trading extensively throughout the southern half of the U.K. and current expansion plans will lead to 21 or more stores trading by the end of the current year, an increase of some 15 or more outlets over the 10 stores open at the beginning of the year.

Mr. Leworthy reports that there are now indications "that the corner from loss-making to profitability has been turned."

ISSUE NEWS

LOCAL LOANS
The coupon rate on this week's batch of local loans is 11 1/2 per cent. against last week's 11 1/4 per cent. The bonds are due on August 31, 1977 at par.

This week's issues are: City of Edinburgh District Council (£1.1m.), City of Leeds (£1m.), Strathclyde Regional Council (£1m.), Cannock Chase District Council (£1m.), Hastings Borough Council (£1m.), City of Sheffield (£1m.), Borough of Tamworth (£1m.), London Borough of Waltham Forest (£1m.), Ynys Monie of Anglesey District Council (£1m.), Lothian Regional Council (£1m.), Dorset District Council (£1m.), London Borough of Newham (£1m.), City of Manchester (£1m.), City of Bristol (£1m.), London Borough of Hillingdon (£1m.), London Borough of Merton (£1m.), Newark District Council (£1m.), Restormel Borough Council (£1m.), South Ribblesdale Borough Council (£1m.), West Dorset District Council (£1m.), City of Salford (£1m.).



Mr. Oswald Davies, chairman of Leonard Fairclough.

DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corresponding dividend	Total last year
Automated Security Int. 0.1625p	Nov. 29	—	—	—
Leonard Fairclough Int. 4.0	Jan. 4	3.5	8.25	—
Houchin Int. 4.25	—	—	—	—
Jersey Electricity Int. 2.25	Nov. 28	3	10	—
Edward Le Bas Int. 0.81	Oct. 1	0.74	1.48	—
Mather and Platt Int. 1	Oct. 22	0.83	2.67	—
Nurdin and Peacock Int. 1.43	Oct. 27	1.3	3	—
Restmor Int. 3.52	Oct. 18	0.18	4.34	—
Scott. Eastern Inv. Int. 3.52	Oct. 4	0.58	3	—
Weir Group Int. 2.54	Jan. 10	1.4	4.3	—
Johns. Consol. Int. 130(c)	Oct. 6	125	170	163
De Beers Consol. Int. 12.5(b)	—	8	28	—

Dividends shown per share net except where otherwise stated. *Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. (a) As forecast in June prospectus—total of 0.68p already anticipated. (b) South African cents, increase to reduce disparity. (c) South African cents.

BIDS AND DEALS

Beyer Peacock offer extended two weeks

The Saudi Arabian National Chemical Industries is extending its offer for Beyer Peacock for a further two weeks, until September 6. It has received acceptance from 4.7 per cent. of Beyer shareholders, which together with purchases made previously and during the course of the offer, gives it control of over 47 per cent. of the capital.

A spokesman for Morgan Grenfell, advisers to NCI, said yesterday that they "would have liked to have seen it done in one sitting" but that they had "effective control" which was their original intention. He remained confident that de jure control would happen quickly.

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ISSUE NEWS

LOCAL LOANS
The coupon rate on this week's batch of local loans is 11 1/2 per cent. against last week's 11 1/4 per cent. The bonds are due on August 31, 1977 at par.

This week's issues are: City of Edinburgh District Council (£1.1m.), City of Leeds (£1m.), Strathclyde Regional Council (£1m.), Cannock Chase District Council (£1m.), Hastings Borough Council (£1m.), City of Sheffield (£1m.), Borough of Tamworth (£1m.), London Borough of Waltham Forest (£1m.), Ynys Monie of Anglesey District Council (£1m.), Lothian Regional Council (£1m.), Dorset District Council (£1m.), London Borough of Newham (£1m.), City of Manchester (£1m.), City of Bristol (£1m.), London Borough of Hillingdon (£1m.), London Borough of Merton (£1m.), Newark District Council (£1m.), Restormel Borough Council (£1m.), South Ribblesdale Borough Council (£1m.), West Dorset District Council (£1m.), City of Salford (£1m.).

Nurdin 36% in front after six months

WITH TURNOVER up 27 per cent. Mortgage Plan. This is a form of bonus reinforced being a combination of profits and temporary increases in sales.

The directors of Nurdin and Peacock, who are confident that the full year will again result in record sales and a satisfactory improvement in profit. In the last full year sales totalled £155.57m. and profit before tax £2.1m.

The interim dividend is stepped up from 1.3p to 1.43p on half yearly earnings ahead from 2.75p to 3.75p per 10p share. The total dividend payment for the last full year was 5p.

For the six months to March 31, 1976 (£431,600) and the attributable balance was £542,000 (£398,400).

The chairman, Mr. J. A. Peacock, says that with the decrease in the rate of inflation the percentage increase in sales is correspondingly affected and second half sales to date have increased against the corresponding period by 22 per cent., reflecting this trend.

The existing Staines branch is to be extended by some 8,500 square feet, and a new branch of some 26,000 square feet is being acquired on the Isle of Wight, both of which should commence trading later this year. The new branch in Nottingham of some 70,000 square feet should be operating during the first half of 1977.

● comment
Although pre-tax profits are 36 per cent. up on the equivalent period last year, the shares of Nurdin and Peacock fell 1/2p yesterday. The reason is that much of the profits rise was due to the rights issue of last year while margins were little changed. Indeed, the rights issue does not seem to have been justified since the intended capital expenditure has not yet taken place. After the spectacular growth of the past ten years the company is wondering how to keep its high rating now that the wholesale cash and carry market seems to be saturated. The withdrawal of smaller competing operations could provide some room for expansion, and a converted share option scheme (to be installed in a third of the branches by April) could improve margins; but these will not help beyond the medium term. The maximum prospective yield is 1.0 per cent.

Statement Page 13

Restmor second half recovery
A SECOND-HALF imp from £181,219 to £291,257, a midway decline, and a profit of Restmor ahead from £420,607 to £436,000 for the year to April. Turnover expanded from £1.436m. to £1.519m.

Yearly earnings per share rose from 12.35p to 12.5p, final dividend of 3.5p raises the total payment to 3.96p to £1.334p at £27.52 (£28.04).

After tax of £215,271, the net balance through at £222,882 with £208,088. There is a transfer of £1,400 to a future redemption reserve retained figure is (£137,303).

The company man has to its share capital and furniture.

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Restmor's second half 40 increase in pre-tax profit from £181,219 to £291,257, a midway decline, and a profit of Restmor ahead from £420,607 to £436,000 for the year to April. Turnover expanded from £1.436m. to £1.519m.

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APPOINTMENTS

J. Burrough heads new division of Racial Electronics

Racial Communications has appointed Mr. John Burrough to head a new division specialising in planning and design of monitoring and surveillance systems for world markets. He also becomes a director of Racial Communications Systems. Both companies are members of the RACAL ELECTRONICS GROUP.

Mr. Burrough is in Government service in the communications field for 30 years. He joined the Civil Service as a Principal in 1947 and became Under-Secretary in 1967. For the past six years he has held senior posts in communications in the Civil Service.

Mr. Alasdair S. Auld has been appointed an executive director on the Board of ALBERT MARTIN HOLDINGS.

Mr. John F. Shapley has been appointed marketing director of GPG PRODUCTS. He joins the company from Portair.

Mr. Peter Desjardes, export administration manager of Johnson and Johnson, has been elected chairman of the Council of the SOCIETY OF SHIPPING EXECUTIVES. Mr. R. Michael Blumson, export office manager of Robinson Bros., has become deputy chairman of the Society.

Mr. Roy Smith, the BRITISH PRINTING CORPORATION director responsible for the Sun Group, is to become the corporation development and technical director based at Print House. Mr. Clive Brady will become chairman of the Sun Group in addition to his present responsibilities for the commercial printing group and he will also join the main Board of BPC. The appointments are from September 1.

Dr. D. P. McHugh has joined the group marketing directorate

BSC has half share in Alloy Steel Rods

Financial Times Reporter

Johnson and Firth Brown has sold its 25 per cent stake in Alloy Steel Rods, of Sheffield, to the British Steel Corporation for £374,000, raising BSC's stake in the company to 50 per cent. The remainder is held by the Arthur Lee and Sons private-sector steel group.

Capacity at Alloy Steel Rods is to be increased from 45,000 to 65,000 tonnes a year by a £1.25m. development. Though the scheme will, officially, be financed internally, it is likely that the capital injection will be made by the two partners.

BSC's decision to expand the range and quantity of alloy and stainless rods produced by Alloy Steel Rods for wiremaking will mean the rundown of its bar and rod mill at Stocksbridge, also in Sheffield, with the loss of just over 200 jobs.

That is likely to take up to a year. Talks are continuing with the unions and staff on redeployment in the area. The closure will not affect the rest of the BSC complex at Stocksbridge.

The plant at Stocksbridge was, BSC said yesterday, too old to warrant the major investment needed to meet international competition in the production of heavy rod and wire.

Alloy Steel Rods is almost wholly engaged in the hire-rolling of BSC-produced stainless, alloy and special billets to rods and is a major supplier both to its Stocksbridge wire department and to Arthur Lee.

The deal is the second in recent months in which Johnson and Firth Brown has divested itself of rod mill interests. Earlier it sold its Manchester wire rod mill for £2m. to Manchester Steel, and its Norwegian owners Elgum-Spigerwerket then announced a £500,000 equipment spending programme.

Occidental agrees to State stake

FINANCIAL TIMES REPORTER

ANOTHER major American oil company, Occidental Petroleum, has conceded the principle of 51 per cent participation by the British National Oil Corporation in its North Sea activities. Occidental is the operator for the Piper and Claymore fields.

Occidental's chairman, Dr. Armand Hammer, who was in London for publication of his biography *Larger than Life*, said yesterday that his company had submitted detailed proposals to the Department of Energy which could lead to the corporation gaining the right to 51 per cent of the oil produced by the Piper and Claymore fields when they come on stream.

It is understood within the oil industry that negotiations between the company and the Department of Energy are far advanced and most early differences have been ironed out.

Dr. Hammer also says Occidental will certainly be among the companies bidding for production licences in the fifth round, for which the application list opened last Friday. Applications must reach the Department of Energy by October 5.

Private air clubs face unlimited liability

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

PRIVATE FLYING clubs and business aircraft operators throughout the U.K. face the prospect of unlimited liability (subject to proof of negligence) for the death or personal injury of club members or others flying as passengers in their aircraft.

This could occur if the Government, through the Secretary for Prices and Consumer Protection, implements suggestions by the Law Commission in its Second Report on Exemption Clauses, that clauses in contracts which exclude or limit such liability should be rendered void.

While the existing law says that aircraft involved in non-international carriage shall be liable to a maximum limit of

MINING NEWS

Half-year profit boost from De Beers

BY KENNETH MARSTON, MINING EDITOR

THE RETURN to buoyant conditions in the market for diamonds is reflected by sparkling half-year results from De Beers. Net profits for the six months to June 30 have jumped to £147.6m. (£94.5m. for the same period in 1976). The 1977 total being £220.7m. Furthermore, the 1976 figures were before an extraordinary loss of R8m. which resulted from De Beers Botswana Mining ceasing to be a subsidiary.

De Beers is lifting its interim to 12.5 cents (8p) but states that this is in line with the intention to reduce the disparity between interim and final dividends. For last year there was an interim of 8 cents and a final of 20 cents. However, there seems no question of the current year's final being reduced and thus a minimum total of 32 cents can be expected from likely year's earnings of at least 33 cents (82p).

The basic rise in earnings is due to a modest extent by the results of the Diamond Purchasing and Trading Company which became a subsidiary on January 1st. Previously only its dividends were taken into De Beers' results. On the other hand the tax charge has advanced after last year's extraordinary reduction.

The basic rise in earnings reflects the still buoyant market for small gems and a recovering demand for larger stones—factors which should bring a welcome reduction in De Beers' diamond stocks which amounted to £340m. (£195m.) at the end of last year—coupled with a full six months' benefit of South Africa's 17.9 per cent devaluation of last September and also of January's 3 per cent rise in gem prices.

On the basis of a 33 cents total dividend for 1976, De Beers would yield just on 11 per cent at last night's London price of 194p and would return considerably more, of course, to a non-premium payer. These historically high yields, however, are only to be expected in view of the civil unrest in South Africa and the political uncertainties facing South West Africa which provides a sizeable slice of the group's profits.

Warning over oxygen 'misuse'

A WARNING on the danger of fires and explosions due to the misuse of oxygen is given in a leaflet issued yesterday by the Health and Safety Executive.

Clothing and materials which do not burn readily in air will burn fiercely and, in confined spaces, frequently lead to fatal accidents if the atmosphere has been enriched by oxygen, says the leaflet.

It says that in shipbuilding and construction, it is a common but dangerous practice to use

oxygen to "sweeten" the confined space when the phos becomes stale.

NCB to rev opencast pla

THE NATIONAL Coal Board is to revise a plan to start opencast mining on 300 acres at Deborah Wood, Co. Durham. The Board, which has been refused planning permission for the site on c. 100 grounds, estimates produce 250,000 tons of c. two years.

JOHANNESBURG CONSOLIDATED INVESTMENT COMPANY, LIMITED

(Incorporated in the Republic of South Africa)

DIVIDEND NO. 101

A final dividend (No. 101) of 130 cents per share in the currency of the Republic of South Africa has been declared in respect of the year ended 30th June, 1976. This dividend together with Dividend No. 100 of 40 cents per share paid in January 1976 makes the dividend declared out of profits for the year 170 cents per share (1975: 165 cents per share).

The dividend is payable to members registered in the books of the Company at the close of business on 10th September, 1976 and to persons presenting to the London Bearer Reception Office Coupon No. 101 detached from share warrants to bearer in terms of a notice to be issued by the London Secretaries and published in September, 1976.

The dividend is declared subject to conditions which can be inspected at or obtained from the Company's Johannesburg Office, the Office of the London Secretaries (Barnato Brothers Limited) of 27 Austin Friars, London EC2N 2EY or the London Bearer Reception Office (40 Holborn Viaduct, London EC1P 1AU).

Subject to the said conditions, payments by the London Secretaries and the London Bearer Reception Office will be made in United Kingdom currency at the rate of exchange quoted by the Company's bankers on 27th September, 1976; provided that in the event of the Company's bankers being unable to quote such a rate of exchange on that day, then the currency of the Republic shall be converted at the rate of exchange quoted by the Company's bankers on the next succeeding day on which such a rate is quoted.

Dividend warrants will be posted from either the Johannesburg Office or the Office of the London Secretaries, as appropriate, on 7th October, 1976.

South African Non-Resident Shareholders' Tax at the rate of 14.74% and United Kingdom Income Tax will be deducted from the dividend where applicable.

The Share Transfer Books and Register of Members will be closed from 11th September to 18th September, 1976, both days inclusive.

UNAUDITED PROVISIONAL CONSOLIDATED FINANCIAL STATEMENTS — YEAR TO 30TH JUNE, 1976

	1976	1975
SUMMARY	R28,865,000	R27,470,000
Profit attributable to Equity Shareholders	278c	236c
Earnings per Share	40c	40c
Dividend per Share	130c	125c
—Final	170c	165c
—Total	4.987c	5.734c
Net Asset Value per Share	7.103.600	7.103.600
Total Number of Shares	(R200.1)	(R200.1)
INCOME STATEMENT	25,114	25,038
Income from investments	3,915	3,941
Surplus on realisation of investments less provisions	22,180	15,371
Trading Profit before charging interest and depreciation	689	922
Profit on sale of marketable properties	1,500	1,963
Fees and other revenue less administration expenses	22,495	48,201
Deduct:	15,434	11,837
Exploration expenditure less recoupments	5,940	3,845
Interest paid less received	5,534	4,507
Depreciation	2,776	2,097
Provision for possible losses on foreign loans	1,184	1,388
Profit before taxation	37,064	36,464
Taxation	5,241	5,038
Profit after taxation	31,823	31,426
Outside shareholders' portion of profit	3,720	2,718
Preference Dividend	1,258	1,258
Profit attributable to Ordinary Shareholders	26,865	27,470
Ordinary Dividends	12,080	11,724
Profit retained	14,785	15,746
BALANCE SHEET	167,919	160,115
Investments—at cost less provisions	(315,500)	(385,413)
Loans	17,354	14,048
Marketable Properties and Mining Prospects	26,721	22,969
Fixed Assets	59,136	29,297
Mining Assets	30,748	45,351
Goodwill arising on consolidation	3,985	3,945
Current Assets	141,579	120,767
Deduct: Current Liabilities	468,035	396,995
Net Assets	341,050	281,497
Financed by:		
Equity Shareholders' Interest	181,456	170,362
Long and Medium term Loans	129,085	79,062
Outside Shareholders' Interest	21,509	17,073
Preference Shares	10,000	15,000
	341,050	281,497

NOTES

- The increase in exploration expenditure is due to additional provisions being made this year in respect of certain expenditures capitalised in past years. This has been done in the light of current economic and political uncertainties.
- The trading profits are higher mainly as the consequence of improved results from the coal mining and industrial subsidiaries.
- The increase in fixed assets arises mainly from capital expenditure incurred by Consolidated Metallurgical Industries Ltd. in the establishment of its ferrochrome plant at Lydenburg in the Transvaal.
- The higher level of borrowings flows from the draw-down of the \$33m Eurodollar loan in September of last year, as well as from increased borrowings by the operating subsidiaries.

By Order of the Board.
ALBERT ROBINSON.
F. J. L. WELLS.
DIRECTORS

Head Office and Registered Office:
Consolidated Building,
cor. Fox and Harrison Streets,
(P.O. Box 580),
JOHANNESBURG.
24th August, 1976.

HOME CONTRACTS

MCD has £3m. Fiesta component order

METAL CASTINGS DOEHLER, Worcester, has won a contract to supply a clutch housing pressure die castings for the recently-announced Ford Fiesta. The order, worth £3m., involves production of half-a-million housing castings over the next three to four years. Delivery began recently with shipment of the first batch of 5,000 castings to the Ford Motor Company plant in Bordeaux.

SIGMUND PULSOMETER PROJECTS, part of the SPP group, is to supply pumps and associated equipment for a major regional sewerage and sewage treatment scheme to serve the town of Wisbech and surrounding villages in Cambridgeshire and Norfolk.

TAYLOR INSTRUMENT COMPANIES (EUROPE), Stevenage, Hertfordshire, has won an order worth about £60,000 from ICI to supply control instrumentation for a new Cumene plant currently under construction at North Tays.

MARCONI MARINE, a GEC-Marconi Electronics company, has concluded negotiations with Shell U.K. Exploration and Production for the supply, installation and commissioning of equipment for six Shell/Eso oil platforms in the northern North Sea. These are Brent A, B, C, D, Cormorant A and Dunlin A. Worth about £400,000, it will be the largest contract so far undertaken by Marconi Marine in the U.K. offshore area. Each main radio station is based on a Prospector 1 kW transmitter, which will provide simultaneous radiotelephony and radioteletype operation. Emergency requirements will be met by the provision of an MF SSB 400W transmitter/receiver complete with built-in auto-alarm, VHF six/ground contact, will be through a 1202A transmitter/receiver, while VHF platform to supply ship communication will be via a Marconi Marine Corvetté SS-SS channel radiotelephone. The company is also to supply a non-directional MF radio homing beacon. When the installations are complete a Marconi Marine radio officer will be assigned to man each station.

SALEN ENGINEERING COMPANY, has won, through its Herr-Voss division, an order worth about £220,000 from the British Steel Corporation for the Ebbw Vale works of BSC Tinsplate. The order is for a tinplate coil inspection line capable of uncoiling and reeling prime and second quality tinplate strip at speeds up to 318 mpm and 91.5 mpm respectively.

MAVEREX, of Warley, West Midlands, has obtained a £3m. order for two six-tonne medium-frequency crucible-type melting furnaces and ancillary equipment from Firth Brown Castings, part of the steel division of Johnson and Firth Brown. The furnaces are to be built by Maverex to designs supplied under licence from Demag Metallgesellschaft, of West Germany, and will have a melting rate of 2,200kg per hour. Wide range of alloy steels, alloy irons and carbon steels for wear-resistant and general engineering applications.

IRISH BRIDGE, of Belfast, has been awarded a contract worth more than £100,000 for on-site fabrication and installation of the oil pipework in a North Sea production platform. On order to

Chevron and the Ninian Partners, and for the development of the Ninian field east of the Shetland Isles, the platform is being built by Howard Doris at Loch Kishorn on the west coast of Scotland and when complete will be towed some 400 miles to its location in the North Sea.

REPORT TO INVESTORS from a company called TRW

TRW sets Second Quarter and Six Months' record.

TRW Inc., a major international supplier of high technology products and services, reports record second quarter sales, earnings, and earnings per share.

Second quarter sales were \$743.8 million, an 11% increase over 1975 second quarter sales of \$667.1 million.

Earnings after taxes and earnings per share rose 31% and 34% respectively, reaching \$37.8 million, or \$1.18 per primary share compared with restated net earnings of \$28.9 million or \$0.88 per primary share a year ago.

1976 first half results also set records. Sales reached \$1,466.3 million, compared with \$1,275.9 million for the first half of 1975. Earnings after taxes reached \$64.3 million, or \$1.95 per share, a highly favorable comparison with restated net earnings of \$43.5 million, or \$1.25 per share for the first half of 1975.

TRW STATISTICAL SUMMARY (Dollar amounts in millions except per share data)		
	1976	1975 (Restated)
SECOND QUARTER		
Sales	\$ 743.8	\$ 667.1
Pre-Tax Profit	72.9	52.0
Net Earnings	37.8	28.9
Earnings Per Share		
Primary	1.18	.88
Fully Diluted	1.03	.84
Dividends Per Common Share	.35	.30
SIX MONTHS		
Sales	1,466.3	1,275.9
Pre-Tax Profit	123.7	79.3
Net Earnings	64.3	43.5
Earnings Per Share		
Primary	1.95	1.25
Fully Diluted	1.75	1.21
Dividends Per Common Share	.65	.60
Common Shares		
Outstanding	27,570,000	27,278,000
Average and Equivalents	28,496,000	27,694,000



Scientists perform pre-flight check on TRW-built Viking Biology Instrument, now analyzing Martian soil for life.

These record-breaking figures were aided by excellent performance from TRW units serving domestic and international automotive original equipment markets. Significant contributions were also made by other TRW units, including those serving commercial data communications, automotive aftermarket, energy products, and defense and space systems.

For further information on TRW, please write for a copy of our latest Quarterly Report. TRW Europe, Inc., 25 St. James's Street, London SW1A-1HA.

A COMPANY CALLED

TRW

INTERNATIONAL COMPANY NEWS + EURO MARKETS

Highveld sees further gains

1976/7

By Richard Rolfe

JOHANNESBURG, August 24. **ISCOR.** Availability of export orders ensured capacity operation in which Newmont Steel and Vanadium, the largest of the group, has seen a 30 per cent increase in profit over the year of 1976/7. The company's 1977/8 forecast is for a further 30 per cent increase in profit, a forecast made by the company's chairman, Mr. Graham Boustred, in a review, is subject to a number of factors, including the export of steel and the price of vanadium. Mr. Boustred also reflected the acquisition of a local producer of ferroalloys, transvalois, for



hived shares, which has a total issued share of 38.2m. shares. The company's 1977/8 forecast is for a further 30 per cent increase in profit, a forecast made by the company's chairman, Mr. Graham Boustred, in a review, is subject to a number of factors, including the export of steel and the price of vanadium. Mr. Boustred also reflected the acquisition of a local producer of ferroalloys, transvalois, for

Lower profits at Laval

By Walker

STOCKHOLM, August 24. **STAX** earnings of the Swedish dairy equipment makers are 7 per cent down in the first half of 1978, compared with the same period of 1977. The company's 1978/9 forecast is for a 10 per cent increase in profit, a forecast made by the company's chairman, Mr. Erik Stenlund, in a review, is subject to a number of factors, including the export of dairy equipment and the price of raw materials. Mr. Stenlund also reflected the acquisition of a local producer of dairy equipment, for

S. African yield gap shows downward drift in market

By Our Own Correspondent

JOHANNESBURG, August 24. **THE SOUTH** African stock market continues to drift down, with the Rand Daily Mail 100 Index now on 180 while the list of 50 is mounting, reaching 50 last week of which half were industrials and the other half gold. In previous bear markets the total has gone as high as 70 on growing volume but so far volume remains comparatively slight at about R2m. per day. For the first time in 15 years a yield gap has emerged, with long term government stock yielding 10.4 per cent and the average on industrials a shade under 11 per cent.

Structure

The two yield structures were in line, very briefly in October, 1974, triggering off a recovery in industrials which was only reversed this year and at that time the basis on both indices was 8.3 per cent. The Government rate, of course, reflects the obligation for institutional investors to invest 52 per cent of funds in approved fixed interest securities, and in open market conditions would certainly be higher than the present 10.4 per cent. This proviso apart, however, the emergence of the gap should be a positive point for equities in due course. Sentiment has not been helped by poor July trade figures, which showed a crude deficit on current account of R292m., with imports at a new high of R498m. However, this reflected a late minute inrush ahead of the 20

Didier expects small sales gain

By Guy Hawtin

DIDIER-WERKE, West Germany's leading manufacturer of refractory and fire-proofing products, is expecting a group increase in turnover of 5 per cent this year. Sales of the West German parent operation, however, are likely to remain at last year's level. For 1978 the concern paid an unchanged 12 per cent dividend despite a 5.4 per cent fall in group profits. But at the half-way stage this year, Didier's management were still unable to

Axel Springer group in new publishing deal

By Our Own Correspondent

WEST GERMANY'S largest newspaper publishing house, Axel Springer Verlag, has taken a minority interest in the Munich publishing group which owns the Daily Muenchener Merkur and the afternoon Boulevard newspaper TZ. The statement in the Merkur announcing the deal said only that the Springer interest in the Muenchener Zeitungs-Verlag was 25 per cent and that it had been acquired from Dr. Felix Butterack, who owned the group together with Herr A. M. Huck and Herr Ludwig Vogl. No purchase price was given. There can, however, be little doubt about the reasons for the deal. The West German newspaper industry has been going through a time in recent years. Many of the weaker newspapers have closed, while others have sought to co-operate with other groups both to achieve savings and to make investment more cost effective. The statement in the Merkur said that co-operation with the Springer group would stimulate the development of the Muenchener Zeitungs-Verlag. It

JOHANNESBURG, August 24.

breweries, which has embarked on a planned programme of asset disposals. Following its merger of the loss-making interest in Schweppes with Coca Cola, it is to sell its tea and coffee subsidiary, Glenlivet and Mitchell, to Unilever for about R12m. cash. This is in line with stated policy of ditching businesses which do not provide a satisfactory return. SAB has also arranged a consortium of overseas banks and after the big diversification of recent years seems to be re-treating into the business it knows best—drink. The largest motor retailers in South Africa, McCarthy Group, with sales of passenger and commercial vehicles running at over R250m. on a wide range of franchises has expanded a slight rise in income from R11.3m. to R12m. for the year ended June 30, which translates into earnings up from 22.4c to 23.5c. However, the dividend has been held at 8.5c for the year after an increased interim originally suggested that the total might be a point or so higher, and the shares at 68c yield 13 per cent. The second-half downturn was worse than envisaged by McCarthy and sales in the last quarter to June 30 were down 11 per cent, and 15 per cent respectively in the overall car and commercial markets. Apart from the sales decline, the McCarthy group had a problem in the heavy writedown in stocks resulting from the decision to terminate the Leclanché franchise in most of the Transvaal.

Singapore SE to allow advertising

By H. F. Lee

THE STOCK Exchange of Singapore has relaxed its ruling prohibiting advertising by member companies. According to a Stock Exchange circular, member companies will now be allowed to advertise in newspapers and periodicals as long as the layout of the advertisement is "simple and restrained". In its guidelines on advertising by member companies, the Exchange stated that the advertisements should not be larger than four centimetres for two column width advertisements and eight centimetres for single column advertisements. Information carried in these advertisements, however, should be confined to the name, address, telephone number, telegraphic code names, cable addresses, and telex numbers. Member companies will also be allowed to advertise in ways other than as outlined, so long as they obtain the prior consent of the stock exchange committee in writing. The relaxation of the ban on advertising by member companies, however, is not likely to lead to broking houses making aggressive bids for clients through advertising.

Mitsui coupon cut

MITSUBI Engineering and Shipbuilding's \$30m. ten-year Eurobond issue was holding up well in the secondary market yesterday after being priced at 98 1/2 on an 8 1/2 per cent coupon. A 9 per cent coupon had been indicated.

Dealers said that allocations on this issue were small. It had been watched closely because it is the first issue to be priced since the issue of new announcements at the end of last week threatened to weaken the secondary market in U.S. dollar Eurobonds. In general the secondary market continues to hold up well, though some issues have been marked down in reaction to the primary market activity, and turnover has fallen.

Incentive drop

INCENTIVE, a Swedish investment and development company shows an increase in sales during the first half of 1978, to Kr.1.1m., compared with Kr.745m. in the same period in 1977, writes John Walker. The pretax profit dropped to Kr.30m. during the first half compared with Kr.41m. for the same period in 1977. The result for the whole of 1978 is expected to be about 20 per cent lower than last year.

Japanese corporate foreign borrowing expected to decline

TOKYO, August 24.

JAPANESE corporate borrowing on overseas capital markets is expected to fall to between \$200m. and \$400m. in the fourth quarter, from a probable total of around \$450m. in the current third quarter, securities sources said. There may be a bigger drop in fourth quarter foreign borrowing, apparently, in view of Japan's strong balance of payments surplus, and the recent upward pressure on the Yen. But sources said many Japanese companies are still anxious to diversify fund sources by borrowing overseas. The Finance Ministry, which controls foreign borrowing plans, must bear in mind the domestic capital market is expected to be burdened in the fourth quarter with heavy deficit-financing bond issues by the Government. Sources added that fourth quarter plans may still be subject to some changes, reflecting the balance of payments developments and domestic capital market considerations. Currently, the ministry is expected to approve 18 foreign bond issues, for a total of around \$300m. while several depositary receipt issues are expected, both in the U.S. and Europe. Of total bond issues, the sources listed nine in U.S. dollars for a total of around \$150m., six in Swiss francs for a total of about Sw.Frs.300m., and three in marks for a total of about DM110m. Dollar bond issues, one or more of which may be in the Asian dollar market, are expected from Nippon Miniature Bearing, Sumitomo Metal Industries, Orient Leasing, Oki Electric Industry, Sanyo Electric, Long Term Credit Bank of Japan, Nippon Fudoshin Bank, Ricoh and Bank of Tokyo. In Swiss francs, the sources listed Nigata Engineering, Taisei Corp., Nippon Shuppan, Kureha Electric, Kawasaki Kisen Kaisha, and Eisai Co. Ltd. In German marks, the three borrowers are listed as Hitachi Cable, Fuji Heavy Industries, and Sekisui Prefab Homes. No bond issues in the U.S. market are expected in the fourth quarter, but U.S. depositary receipt issues are expected from Honda motor, probably for expected to approve 18 foreign bond issues, for a total of around \$300m.

No buyer yet found for Come-by-Chance

By Our Own Correspondent

THE CLARKSON Company, canvassed but to date none has been found for the refinery in Newfoundland. The refinery in Newfoundland, owned by the bankrupt Come-by-Chance oil refinery in Newfoundland, has been in contact with nearly 50 companies and individuals throughout the U.S. and Canada, but has not found a buyer for the refinery. Clarkson and Morgan Stanley, the U.S. investment bankers, have been doing the canvassing jointly. Morgan Stanley represents Ataka of Japan, the trading house which is the largest unsecured creditor of the two Shaboen group companies. "While some interest has been shown, it is clear that the majors in the oil industry are not very enthusiastic about recommending the operation of this refinery at a time when there is excess refining capacity in North America," says Clarkson in a report to Provincial Refining. "All major oil companies in Canada and the U.S. have been

This advertisement appears as a matter of record only.

The Royal Trust Company Mortgage Corporation

(Incorporated under the Companies Act of the Province of Quebec)

Can. \$20,000,000

9 1/2% Series S Debentures due 1982

Issue Price 100%

Wood Gundy Limited
Algemene Bank Nederland N.V.
A. E. Ames & Co. Limited
Deutsche Bank Aktiengesellschaft
Union Bank of Switzerland (Securities) Limited

Alahli Bank of Kuwait (K.S.C.) Asterisk & Co. Banca Comptone Bank of America International Bank of Canada International Bank Heusser & Cie. AG. Bankhaus H. Aufhäuser Banque de Commerce S.A. Banque Internationale de Luxembourg S.A. Banque de Paris et des Pays-Bas Banque Worms Bayerische Hypotheken- und Wechsel-Bank Berliner Handels- und Bankverein Borns Fry Compagnia Finanziaria Interbancaria S.p.A. Credit Industriel d'Alsace et de Lorraine S.A. Credit du Nord Daiwa Europe N.V. Deutsche Girozentrale Dominion Securities Corporation Harris & Partners European Banking Company Robert Fleming & Co. Goldman Sachs International Corp. Hessische Landesbank Internationale-Bank Kiddier, Peabody International Kreditbank S.A. Luxembourg Kuwait Foreign Trading Contracting & Investment Co. (S.A.K.) Kuwait Investment Company (S.A.R.) McLeod, Young, Weir & Company B. Metzler, Seel & Co. The Nikko Securities Co. (Europe) Ltd. Norddeutsche Landesbank Girozentrale Paine Webber Jackson & Curtis Securities PKBanken Salomon Brothers International J. Henry Schroder Wagg & Co. Societa Finanziaria Assicurativa (SOFIAS) Societa Generale di Banque S.A. Sumitomo Finance International Trade Development Bank Overseas Inc. Verband Schweizerischer Kantonalbanken S. G. Warburg & Co. Ltd. Westfalia Bank	Ansterdam-Rotterdam Bank N.V. Julius Baer International Banca Nazionale del Lavoro Banque Paribas Bank Leu International Ltd. Bankhaus Hermann Lampe Banque Francaise du Commerce Extérieur Banque Lambert-Luxembourg S.A. Banque Populaire Suisse S.A. Baring Brothers & Co. Blyth Eastman Dillon & Co. International Citicorp International Bank Continental Illinois Credit Industriel et Commercial Creditanstalt-Bankverein Richard Daux & Co. Dewar & Associates International S.C.S. Financor Finnair Antony Gibbs Holdings Ltd. Greenfields Hill Samuel & Co. Istituto Bancario San Paolo di Torino Kittar & Aikien Kleinwort, Benson Kreditbank S.A. Luxembourg Kuwait International Investment Co. S.A.K. London Multinational Bank (Underwriters) Merck, Finck & Co. Morgan Stanley International R. Nilsson & Co. Sal. Oppenheim Jr. & Cie. Peterbroeck, Van Campenhout, Kempen Rea Brothers Santwa Bank (Underwriters) Shields Model Roland Societa Generale di Banque S.A. Societa Seguinane de Banque Svenska Handelsbanken Tradition Securities Vereine und Westbank Weisscredit Trade and Investment Bank Yamaichi International (Europe)	Arab Finance Corporation S.A. Banca Commerciale Italiana Banca di Roma Banca di Santo Spirito Bank Gutzwiler, Kurz, Bueglinger (Overseas) Bankers Trust International Banque Bruxelles Lambert S.A. Banque Generale du Luxembourg S.A. Banque Nationale de Paris Banque de l'Union Europeenne H. Albert de Bary & Co. N.V. Joh. Berenberg, Gossler & Co. Breitsch Pfinschof Schoeller Commerzbank Aktiengesellschaft Credit Commercial de France Credit Industriel et Commercial Credit Italiano Den norske Creditbank Dillon, Read Overseas Corporation Dresdner Bank Effektenbank-Warburg First Boston (Europe) First Chicago Limited Girozentrale und Bank der Österreichischen Sparkassen Humbros Bank International Marine Banking Co. Jardine Fleming & Company Kreditbank N.V. Kuhn, Loeb & Co. International Kuwait International Investment Co. S.A.K. Manufacturers Hanover Merrill Lynch International & Co. Nesbitt, Thomson Nomura Europe N.V. Orion Bank N. M. Rothschild & Sons Scandinavian Bank Skandinaviska Enskilda Banken Societa Generale Strauss, Turnbull & Co. Swiss Bank Corporation (Overseas) Trinkaus & Burkhart J. Vontobel & Co.
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U.S. COMPANIES ConRail projects its deficit

By Pauline Clark

W. U.S. Government over half a dozen ailing North-east rail-line on April 1 of 1978, the Federal Government has injected more than \$2bn. into the concern, ConRail, in its first full year of operation. The corporation, which is expected to make a public loss for the current year. But the corporation's 1978 loss are contained in a statement putting

the case for increased freight charges to the Interstate Commerce Commission (ICC). The corporation is also reported to have told the ICC that if it had been in operation for the full year until last June, its estimated loss for the year would have been around \$370m. of which nearly 98 per cent could be attributed to the freight charges. The projections made to the ICC, however, have been made on the basis of the Commission's particular accounting policies so that even if the forecast is correct, the reported figures at the end of the financial year could look a deal more staggering. The ICC method, for instance, is said to put the first three months loss at about \$95m.—more than 2 1/2 times higher than the figure actually reported by the corporation. In addition, ConRail emphasised in its statement that the figures in the projection were a simple extrapolation of present trends and that it was difficult to forecast full year results on just one quarter's performance.

Mobil bid problems
MOBIL CORPORATION'S bid to acquire Irvine, a land-rich real estate and agricultural concern, is running into some potentially grave difficulties. Last May, the oil company offered to buy Irvine's 88.5m. shares for \$200m. of stock, equivalent to \$24 a share. Owners of about 80 per cent of the shares, including the James Irvine Foundation, which holds

FIXED EURODOLLAR BOND PRICES

	Mid	Offer	CONVERTIBLES	Mid	Offer
4 1/2%	101 1/2	102 1/2	American Express 4 1/2% 87	101 1/2	102 1/2
5 1/2%	101 1/2	102 1/2	Bank of America 5 1/2% 88	101 1/2	102 1/2
6 1/2%	101 1/2	102 1/2	Bank of New York 6 1/2% 88	101 1/2	102 1/2
7 1/2%	101 1/2	102 1/2	Bank of Montreal 7 1/2% 88	101 1/2	102 1/2
8 1/2%	101 1/2	102 1/2	Bank of Toronto 8 1/2% 88	101 1/2	102 1/2
9 1/2%	101 1/2	102 1/2	Bank of the South 9 1/2% 88	101 1/2	102 1/2
10 1/2%	101 1/2	102 1/2	Bank of the West 10 1/2% 88	101 1/2	102 1/2
11 1/2%	101 1/2	102 1/2	Bank of the Midwest 11 1/2% 88	101 1/2	102 1/2
12 1/2%	101 1/2	102 1/2	Bank of the South 12 1/2% 88	101 1/2	102 1/2
13 1/2%	101 1/2	102 1/2	Bank of the West 13 1/2% 88	101 1/2	102 1/2
14 1/2%	101 1/2	102 1/2	Bank of the Midwest 14 1/2% 88	101 1/2	102 1/2
15 1/2%	101 1/2	102 1/2	Bank of the South 15 1/2% 88	101 1/2	102 1/2
16 1/2%	101 1/2	102 1/2	Bank of the West 16 1/2% 88	101 1/2	102 1/2
17 1/2%	101 1/2	102 1/2	Bank of the Midwest 17 1/2% 88	101 1/2	102 1/2
18 1/2%	101 1/2	102 1/2	Bank of the South 18 1/2% 88	101 1/2	102 1/2
19 1/2%	101 1/2	102 1/2	Bank of the West 19 1/2% 88	101 1/2	102 1/2
20 1/2%	101 1/2	102 1/2	Bank of the Midwest 20 1/2% 88	101 1/2	102 1/2

ALL STREET + FOREIGN EXCHANGE

Prices in retreat after early advance Sterling weaker

BY OUR WALL STREET CORRESPONDENT

NEW YORK, August 24

PRICES drifted lower after a firm start on Wall Street today, with higher car sales for the surrendering early, modest gains. At 1 p.m. the Dow Jones Industrial Average was 2,285.11, up 11.44 from 2,273.67, but it had slipped back to show a loss of 1.49 when the NYSE All Com-

Closing prices and market reports were not available for this edition.

mon Index had retreated from its morning advance of 12 cents to stand at 354.53, up 5 cents. Initial strength was due to scattered bargain-hunting and technical considerations, following consecutive declines, but the absence of fresh new developments then tended to restrain demand.

The GAP Stores fell \$1 to \$61, while Coca-Cola lost \$1 to \$54 and Digital Equipment \$5 to \$161.

Ford Motor surrendered \$1 to \$33 after reporting lower mid-August car sales.

Chrysler and General Motors

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Bank of Nova Scotia—second most active Industrial on 2,369 shares—rose \$1 to \$43.

In Western Oil's Hudson's Bay Oil and Gas rose \$1 to \$53.75 and Home Oil "A"—volume leader on 23,900 shares—\$1 to \$52.50.

PARIS—Most French shares recovered some of their losses of the previous 12 sessions in a technical reaction coupled with buying for the new Account.

Volume was moderate. Two issues making outstanding performances were the 1976-77 season, when the index moved ahead 0.16 to 101.27.

OTHER MARKETS

Canada higher

Prices advanced in early trading on Canadian stock markets today, but at noon most sectors

indices were showing a gain. Golds were down 3.80 to 223.53 and Base Metals lost 0.03 to 30.61.

while Industrials put on 1.14 to 187.13, Western Oils 0.80 to 223.35, Papers 0.60 to 121.95 and Utilities 0.20 to 143.53.

The advance in Banks was prompted by Federal White Paper outlining proposed amendments to the Bank Act. Among the top banks Royal Bank gained \$1 to \$23.50, Canadian Imperial \$1 to \$22.50 and Toronto Dominion \$1 to \$21.90.

Alco and Phillips were steady at \$1.00 and \$1.00, while the top banks Royal Bank gained \$1 to \$23.50, Canadian Imperial \$1 to \$22.50 and Toronto Dominion \$1 to \$21.90.

Among higher Banks, Algonquin rose 10 cents to \$1.10, while the top banks Royal Bank gained \$1 to \$23.50, Canadian Imperial \$1 to \$22.50 and Toronto Dominion \$1 to \$21.90.

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Volume was moderate. Two issues making outstanding performances were the 1976-77 season, when the index moved ahead 0.16 to 101.27.

BRUSSELS—Most shares tended lower in quiet trading at the start of the new Account, but only Golds fell sharply.

Salmon-Sambro, St. Rock and Electric rose against the trend, but did not rise above \$1.00.

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Insurances and Transportations mostly rose.

Dutch Industrials were mixed: Bob Dischters advanced \$1.80, but Van Gorder Paper Mills eased \$1.20 and KNP Paper Mills \$1.10.

GERMANY—After a strong opening, shares slipped to close only steady. The Commerzbank Index slipped 2.5 to 741.5.

Brokers said Siemens was firmer in early trading, as the market reacted to the issue's losses in the past week. Also, they said, the restored calm in foreign exchange markets buoyed trading initially, but substantial selling of Mannesmann—down \$1.20 to \$41—which on Monday reported first-half sales and warned of possible short-term working this autumn, depressed the market.

Motors were especially weak. BMW lost \$2.50 to \$42, but VW, which late last week announced final agreement in its negotiations with Pennsylvania on a U.S. manufacturing site, rose 20 pennies to \$25.50.

Chemicals were steady, as were Utilities and most Machine Makers, but Stores were weak, except for Karstadt, which rose \$1.20 to \$91.

VIENNA—Narrow fluctuations in light trading.

COPENHAGEN—Sharply lower in active dealings. Banks were down 10 cents to \$1.10, while the top banks Royal Bank gained \$1 to \$23.50, Canadian Imperial \$1 to \$22.50 and Toronto Dominion \$1 to \$21.90.

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STOCK EXCHANGE REPORT

Technical rally leaves equities well above day's worst

Index closes 4.4 down at 357.0 after having touched 352.3

Account Dealing Dates
First Declara- Last Account
Dealings Date Dealings Day
Aug. 2 Aug. 19 Aug. 20 Sep. 1
Aug. 3 Aug. 20 Sep. 3 Sep. 14
Sep. 6 Sep. 16 Sep. 17 Sep. 28
Sep. 29 Sep. 30 Sep. 30 Sep. 30

Another sharp fall in stock markets yesterday was moderated later in the day by the closing of bear positions, some of which were opened last Thursday and Friday in new-time trading. Despite this technical relief, there appeared to be little on the news front to encourage a general return of buyers. The adverse factors of a possible increase in interest rates, no let-up in the drought and slack trading remained painfully evident, although increased selling lifted official markups to 3.25 per cent with the recent daily average of around 4.50. Adding to the gloom was the not unexpected news that unemployment had reached 1.1m.

All in all, not a good day as the facts show. The FT 30-share index, after having opened 4.4 down, went progressively lower to be 8.1 off at 3 p.m. The technical rally then saw a swift reversal which left the index a net 4.4 down at the close of 357.0, a low for the year. The FT-Actuaries major indices were all at fresh 1976 lows, although these figures did not fully reflect the late upturn in prices. The All-Share index fell 2.2 per cent to 143.90.

The broad extent of the setback in equities was reflected in the 10:1 ratio of falls to rises in FT-quoted Industrials.

British Funds weakened fresh by up to 1 to leave the Government Securities Index 0.23 lower at 81.68, and gold mining shares continued to follow the edicts of the bullion price, which declined 81.30 more to 8104.625 on the

and took the Gold Mines index down 4.3 more to 82.0, its lowest for over four years.

Gilts irregular

The possibility of higher domestic interest rates continued to depress long-dated British Funds, but many higher-coupon shorts rallied from a lower opening to a close marginally better on the day. This was the result of a bear squeeze on the short "tap" Treasury 9 1/2 per cent, 1981, which recovered from 91 1/2 to end higher on balance at 91 1/2; the stock will be quoted clean to-day while still on tap which is rather unique for a "tap" issue. Several lower-coupon shorts lost 1/2, while longer maturities sustained falls to 1/2 after 1/2. Evasive action taken by dealers at the opening thwarted any real selling pressure developing at the longer end of the market. Corporations followed the trend and the new listing 131 per cent, 1982 stock slipped 1/2 to a discount.

Insurance conditions similar to those seen recently, the investment currency premium rose to 12 per cent, before reacting to close only 1/2 higher on the day at 110 per cent. Yesterday's 50c conversion factor was 0.6834 (0.6853).

Fresh selling in a thin market caused Hambro Life Assurance to fall further to 178p before picking up to 177p, down 5 on balance and making a discount of 48 on the offer price. Elsewhere in Recent Equities, Molins shed another 2 to 104p and Wm. Leach Builders lost 3 to 58p.

Banks dip and rally

Having resisted the general decline on Monday, the big four Banks continued to show some resistance to the downward pressure, ending the session with a net loss of 1/2, while new 1976 lows, prices picked up

well in fairly active trading and closing prices were only a shade off for choice. Barclays touched 238p before closing unaltered at 243p, while Midland recorded a fall of 2 at 248p, after 243p. Overseas issues, particu-

nate a modest rally late in the day. Arthur Guinness ended 1/2 off at 197p low of 110p and Bass Charrington cheapened 3/4 to 54p. Allied, however, after only a shade lower at 61p, but Vaux lost 7 to 263p in this market. Elsewhere Distillers (Distillers) were 7 off at 230p. In front of to-day's interim results, Arthur Bell gave up 4 to 130p.

Buildings continued to reflect recent pessimism about the industry's immediate future and closed with a fairly lengthy list of losses. R. Coston reacted 3/4 to 130p, while Taylor Woodrow, 32p, and Ellis & Everard, 75p, both closed 6 cheaper. L. F. Clark finished 3 off at 163p following the interim report. Eritk lost 4 at 65p as did Hestock Johnson, 4 at 230p. Benfield and Loxley were down 1/2 at 14p, down 1/2 to 14p. Phoenix closing 3 easier at 69p and Montague L. Meyer finishing 4 cheaper at 32p.

Fisons featured chemicals, closing 1/2 cheaper at 316p, after 312p. ICI were finally 5 off at 322p, after 320p, while Revere, 77p, and Allied Colloids, 117p, were up 6 and 10 respectively. Hoechst, however, improved 30 to 455p.

"Gussies" "A" dull

"Gussies" "A" led the retreat in Stores, closing 1/2 off at 178p, after 177p, after a reasonable turnover. Debenhams ended 2 off at 73p, while Marks and Spencer, 86p, and Burt's, 43p, both finished a penny easier at 43p and 44p respectively. 4 to 194p, after 182p, while losses of 3 were seen in Allied Retailers, 82p, and Cope Sportswear, 27p.

Lee Cooper, a firm market of late, declined 1/2 to 100p, after 101p, while the other two were notable for a fall of 3 to 46p in NBS and a reaction of 7 to 46p.

195p in Martin the Newscaster drought-hit Wales. Johnson

Warrior lost 12 to 323p in front

with Empire Stores giving up 4 of to-day's first-quarter results, more at 54p. In Shoes, K and while Allied Investments followed the preliminary statement with a loss of 3 at 26p and the half-year report left Edward Le Bas 150p easier at 58p. Reeboks, relieved the gloom with a gain of 2 at 43p in response to the profits improvement.

Apart from Houches, 4 up at 66p on the sharply increased earnings, Motors and Distributors in the Electricals leaders, which, in line with markets generally, closed above the worst.

There was a fair amount of trade in the Electricals leaders, which, in line with markets generally, closed above the worst. KEM, a weak market of late on adverse comment regarding possible U.S. restraints on X-ray scanner sales, retreated further to 201p before ending a net 4 lower at 204p.

Reynolds Parsons recently a particularly poor market on concern about the lack of new power station orders, closed 3 cheaper at 102 1/2p, 101 1/2p. GEC were finally 4 down at 138p and Thorn Electrical "A" 6 softer at 21p. GEC reorganised to close a penny up on the day at 109p, while Philips Lamp, reflecting the former investment premium showed a gain of 13 at 835p. The only plus sign to be seen elsewhere was Free Holdings, a penny better at 33p following the previous two-day fall of 11 on the dismal half-time results.

Chloride needed 6 to 104p and Louis Newman in a thin market, lost 10 to 95p, while Brooks Group, interim figures due next Tuesday, shed 3 to 48p.

Secondary Engineering took the front end of yesterday's reaction, Weyburn falling 18 to 308p, Wyck 6 to 150p and Shoon 5 to 116p.

Leading issues were cheaper initially, but must be covered to close either unaltered or only slightly easier. Favourable trading announcements failed to sustain either Weir, 4 lower at 75p, or Mather and Platt, 8 off at 87p. GIFF, on the other hand, were raised 4 to 106p.

Manbre and Garton continued firmly in otherwise easier Foods, closing 3 better at 150p following Press comment on the company's formal rejection of the offer from Tate and Lyle, 7 off at 235p. Associated Dairies closed 2 easier at 185p in front of to-day's preliminary figures, while P. Wallis reacted 3 to 33p following Press comment on the interim report and higher first-half profits failed to sustain Nurdie and Peacock which closed 4 cheaper at 74p.

Hotels and Caterers also had an easier bias, but P. North put on 3 to 30p. Ladbroke declined 3 to 197p "love" of 85p, while Pontle's eased a penny to 22p and Savoy "A" shaded 2 to 27p.

Hoover "A" fall

Miscellaneous Industrial leaders ground, although Steel Bros, put picked up fairly well in places during a reactive trade, although Pilkington saw recovery at 295p, down 10 to 36p, while Becaam were finally 6 cheaper at 337p, after 333p. Hoover "A" retreated 20 to 265p in a thin market, concern being shown for its large manufacturing plant in

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FINANCIAL TIMES STOCK INDEX

	Aug. 24	Aug. 25	Aug. 26	Aug. 27	Aug. 28	Aug. 29
Government Secs.	61.66	61.89	62.14	62.16	62.34	62.25
Fixed Interest	61.67	61.81	61.87	61.94	61.94	61.92
Industrial Ordinary	357.0	361.4	370.8	373.5	375.8	376.4
Gold Mines	82.0	86.5	90.3	91.5	88.9	95.2
Ord. Div. Yield	6.21	6.15	6.01	5.97	5.91	5.90
Earnings "Highlights"	18.09	17.88	17.45	17.84	17.19	17.17
P/E Ratio (net)	8.20	8.29	8.49	8.54	8.51	8.66
Dividends marked	5.289	4.809	4.297	4.278	4.627	4.924
Equity turnover	—	68.08	41.76	39.43	39.00	39.26
Equity turnover total	—	9.692	10.073	9.770	9.802	10.182
10 a.m. 37 1/2, 11 a.m. 33 1/2, Noon 33 1/2, 1 p.m. 32 1/2, 2 p.m. 32 1/2, 3 p.m. 33 1/2.						

TRUSTS

INSURANCE, PROPERTY, BONDS

[illegible]

No. 00226 of 1976
HIGH COURT OF JUSTICE
Madras Bench, Madras

[illegible]

OFFSHORE AND OVERSEAS FUNDS

[illegible]

ENGINEERING—Continued

[illegible]

ELECTRICAL AND RADIO

36	37	37	20	Andrews	22	1	91	0.71
37	37	37	20	Andrews	22	2	91	0.71
38	37	37	35	Apur	22	1	24	1.91
39	37	37	35	Apur	22	1	24	1.91
40	37	37	35	Apur	22	1	24	1.91
41	37	37	35	Apur	22	1	24	1.91
42	37	37	35	Apur	22	1	24	1.91
43	37	37	35	Apur	22	1	24	1.91
44	37	37	35	Apur	22	1	24	1.91
45	37	37	35	Apur	22	1	24	1.91
46	37	37	35	Apur	22	1	24	1.91
47	37	37	35	Apur	22	1	24	1.91
48	37	37	35	Apur	22	1	24	1.91
49	37	37	35	Apur	22	1	24	1.91
50	37	37	35	Apur	22	1	24	1.91
51	37	37	35	Apur	22	1	24	1.91
52	37	37	35	Apur	22	1	24	1.91
53	37	37	35	Apur	22	1	24	1.91
54	37	37	35	Apur	22	1	24	1.91
55	37	37	35	Apur	22	1	24	1.91
56	37	37	35	Apur	22	1	24	1.91
57	37	37	35	Apur	22	1	24	1.91
58	37	37	35	Apur	22	1	24	1.91
59	37	37	35	Apur	22	1	24	1.91
60	37	37	35	Apur	22	1	24	1.91
61	37	37	35	Apur	22	1	24	1.91
62	37	37	35	Apur	22	1	24	1.91
63	37	37	35	Apur	22	1	24	1.91
64	37	37	35	Apur	22	1	24	1.91
65	37	37	35	Apur	22	1	24	1.91
66	37	37	35	Apur	22	1	24	1.91
67	37	37	35	Apur	22	1	24	1.91
68	37	37	35	Apur	22	1	24	1.91
69	37	37	35	Apur	22	1	24	1.91
70	37	37	35	Apur	22	1	24	1.91
71	37	37	35	Apur	22	1	24	1.91
72	37	37	35	Apur	22	1	24	1.91
73	37	37	35	Apur	22	1	24	1.91
74	37	37	35	Apur	22	1	24	1.91
75	37	37	35	Apur	22	1	24	1.91
76	37	37	35	Apur	22	1	24	1.91
77	37	37	35	Apur	22	1	24	1.91
78	37	37	35	Apur	22	1	24	1.91
79	37	37	35	Apur	22	1	24	1.91
80	37	37	35	Apur	22	1	24	1.91
81	37	37	35	Apur	22	1	24	1.91
82	37	37	35	Apur	22	1	24	1.91
83	37	37	35	Apur	22	1	24	1.91
84	37	37	35	Apur	22	1	24	1.91
85	37	37	35	Apur	22	1	24	1.91
86	37	37	35	Apur	22	1	24	1.91
87	37	37	35	Apur	22	1	24	1.91
88	37	37	35	Apur	22	1	24	1.91
89	37	37	35	Apur	22	1	24	1.91
90	37	37	35	Apur	22	1	24	1.91
91	37	37	35	Apur	22	1	24	1.91
92	37	37	35	Apur	22	1	24	1.91
93	37	37	35	Apur	22	1	24	1.91
94	37	37	35	Apur	22	1	24	1.91
95	37	37	35	Apur	22	1	24	1.91

137	G.E.C.	138	-4	3.27	5.6	3.
8	Goldring 10a	8	-1	-	-	-

[illegible]

43	Santa Clara Sp.	8	—	—	—
7	Santa Clara 10p	7	-2	—	—
18	Telefonos 5p	19	-1	0.97	3.3

[illegible]

62	Allen (E) Ballou	62	-1	3.94	24	9.
30	Allen W.G.	36	-2	2.53	0	11.
121	Alumina Corp.	54	+2	2.85	16	8.

[illegible]

7	11 1/2	Blakeys	25	-1	1.77	6	10.
2	19	Bousser Eng. 30p.	19		1.17	1.6	9.

[illegible]

288	G. R. A. E.	302	---	11.32	26	5.8
90	Fladen Carrier	92½	-1	7.09	20	11.8
100	Hull Box Sps	119	-5	1.432	43	5.6

9	7.1	21.5	76	52	Rumtigh 10p	52	-4	11.92	4.7
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1	1.25	1.77	1.90	2.00	2.10	2.20	2.30	2.40	2.50	2.60	2.70	2.80	2.90	3.00	3.10	3.20	3.30	3.40	3.50	3.60	3.70	3.80	3.90	4.00	4.10	4.20	4.30	4.40	4.50	4.60	4.70	4.80	4.90	5.00	5.10	5.20	5.30	5.40	5.50	5.60	5.70	5.80	5.90	6.00	6.10	6.20	6.30	6.40	6.50	6.60	6.70	6.80	6.90	7.00	7.10	7.20	7.30	7.40	7.50	7.60	7.70	7.80	7.90	8.00	8.10	8.20	8.30	8.40	8.50	8.60	8.70	8.80	8.90	9.00	9.10	9.20	9.30	9.40	9.50	9.60	9.70	9.80	9.90	10.00	10.10	10.20	10.30	10.40	10.50	10.60	10.70	10.80	10.90	11.00	11.10	11.20	11.30	11.40	11.50	11.60	11.70	11.80	11.90	12.00	12.10	12.20	12.30	12.40	12.50	12.60	12.70	12.80	12.90	13.00	13.10	13.20	13.30	13.40	13.50	13.60	13.70	13.80	13.90	14.00	14.10	14.20	14.30	14.40	14.50	14.60	14.70	14.80	14.90	15.00	15.10	15.20	15.30	15.40	15.50	15.60	15.70	15.80	15.90	16.00	16.10	16.20	16.30	16.40	16.50	16.60	16.70	16.80	16.90	17.00	17.10	17.20	17.30	17.40	17.50	17.60	17.70	17.80	17.90	18.00	18.10	18.20	18.30	18.40	18.50	18.60	18.70	18.80	18.90	19.00	19.10	19.20	19.30	19.40	19.50	19.60	19.70	19.80	19.90	20.00	20.10	20.20	20.30	20.40	20.50	20.60	20.70	20.80	20.90	21.00	21.10	21.20	21.30	21.40	21.50	21.60	21.70	21.80	21.90	22.00	22.10	22.20	22.30	22.40	22.50	22.60	22.70	22.80	22.90	23.00	23.10	23.20	23.30	23.40	23.50	23.60	23.70	23.80	23.90	24.00	24.10	24.20	24.30	24.40	24.50	24.60	24.70	24.80	24.90	25.00	25.10	25.20	25.30	25.40	25.50	25.60	25.70	25.80	25.90	26.00	26.10	26.20	26.30	26.40	26.50	26.60	26.70	26.80	26.90	27.00	27.10	27.20	27.30	27.40	27.50	27.60	27.70	27.80	27.90	28.00	28.10	28.20	28.30	28.40	28.50	28.60	28.70	28.80	28.90	29.00	29.10	29.20	29.30	29.40	29.50	29.60	29.70	29.80	29.90	30.00	30.10	30.20	30.30	30.40	30.50	30.60	30.70	30.80	30.90	31.00	31.10	31.20	31.30	31.40	31.50	31.60	31.70	31.80	31.90	32.00	32.10	32.20	32.30	32.40	32.50	32.60	32.70	32.80	32.90	33.00	33.10	33.20	33.30	33.40	33.50	33.60	33.70	33.80	33.90	34.00	34.10	34.20	34.30	34.40	34.50	34.60	34.70	34.80	34.90	35.00	35.10	35.20	35.30	35.40	35.50	35.60	35.70	35.80	35.90	36.00	36.10	36.20	36.30	36.40	36.50	36.60	36.70	36.80	36.90	37.00	37.10	37.20	37.30	37.40	37.50	37.60	37.70	37.80	37.90	38.00	38.10	38.20	38.30	38.40	38.50	38.60	38.70	38.80	38.90	39.00	39.10	39.20	39.30	39.40	39.50	39.60	39.70	39.80	39.90	40.00	40.10	40.20	40.30	40.40	40.50	40.60	40.70	40.80	40.90	41.00	41.10	41.20	41.30	41.40	41.50	41.60	41.70	41.80	41.90	42.00	42.10	42.20	42.30	42.40	42.50	42.60	42.70	42.80	42.90	43.00	43.10	43.20	43.30	43.40	43.50	43.60	43.70	43.80	43.90	44.00	44.10	44.20	44.30	44.40	44.50	44.60	44.70	44.80	44.90	45.00	45.10	45.20	45.30	45.40	45.50	45.60	45.70	45.80	45.90	46.00	46.10	46.20	46.30	46.40	46.50	46.60	46.70	46.80	46.90	47.00	47.10	47.20	47.30	47.40	47.50	47.60	47.70	47.80	47.90	48.00	48.10	48.20	48.30	48.40	48.50	48.60	48.70	48.80	48.90	49.00	49.10	49.20	49.30	49.40	49.50	49.60	49.70	49.80	49.90	50.00	50.10	50.20	50.30	50.40	50.50	50.60	50.70	50.80	50.90	51.00	51.10	51.20	51.30	51.40	51.50	51.60	51.70	51.80	51.90	52.00	52.10	52.20	52.30	52.40	52.50	52.60	52.70	52.80	52.90	53.00	53.10	53.20	53.30	53.40	53.50	53.60	53.70	53.80	53.90	54.00	54.10	54.20	54.30	54.40	54.50	54.60	54.70	54.80	54.90	55.00	55.10	55.20	55.30	55.40	55.50	55.60	55.70	55.80	55.90	56.00	56.10	56.20	56.30	56.40	56.50	56.60	56.70	56.80	56.90	57.00	57.10	57.20	57.30	57.40	57.50	57.60	57.70	57.80	57.90	58.00	58.10	58.20	58.30	58.40	58.50	58.60	58.70	58.80	58.90	59.00	59.10	59.20	59.30	59.40	59.50	59.60	59.70	59.80	59.90	60.00	60.10	60.20	60.30	60.40	60.50	60.60	60.70	60.80	60.90	61.00	61.10	61.20	61.30	61.40	61.50	61.60	61.70	61.80	61.90	62.00	62.10	62.20	62.30	62.40	62.50	62.60	62.70	62.80	62.90	63.00	63.10	63.20	63.30	63.40	63.50	63.60	63.70	63.80	63.90	64.00	64.10	64.20	64.30	64.40	64.50	64.60	64.70	64.80	64.90	65.00	65.10	65.20	65.30	65.40	65.50	65.60	65.70	65.80	65.90	66.00	66.10	66.20	66.30	66.40	66.50	66.60	66.70	66.80	66.90	67.00	67.10	67.20	67.30	67.40	67.50	67.60	67.70	67.80	67.90	68.00	68.10	68.20	68.30	68.40	68.50	68.60	68.70	68.80	68.90	69.00	69.10	69.20	69.30	69.40	69.50	69.60	69.70	69.80	69.90	70.00	70.10	70.20	70.30	70.40	70.50	70.60	70.70	70.80	70.90	71.00	71.10	71.20	71.30	71.40	71.50	71.60	71.70	71.80	71.90	72.00	72.10	72.20	72.30	72.40	72.50	72.60	72.70	72.80	72.90	73.00	73.10	73.20	73.30	73.40	73.50	73.60	73.70	73.80	73.90	74.00	74.10	74.20	74.30	74.40	74.50	74.60	74.70	74.80	74.90	75.00	75.10	75.20	75.30	75.40	75.50	75.60	75.70	75.80	75.90	76.00	76.10	76.20	76.30	76.40	76.50	76.60	76.70	76.80	76.90	77.00	77.10	77.20	77.30	77.40	77.50	77.60	77.70	77.80	77.90	78.00	78.10	78.20	78.30	78.40	78.50	78.60	78.70	78.80	78.90	79.00	79.10	79.20	79.30	79.40	79.50	79.60	79.70	79.80	79.90	80.00	80.10	80.20	80.30	80.40	80.50	80.60	80.70	80.80	80.90	81.00	81.10	81.20	81.30	81.40	81.50	81.60	81.70	81.80	81.90	82.00	82.10	82.20	82.30	82.40	82.50	82.60	82.70	82.80	82.90	83.00	83.10	83.20	83.30	83.40	83.50	83.60	83.70	83.80	83.90	84.00	84.10	84.20	84.30	84.40	84.50	84.60	84.70	84.80	84.90	85.00	85.10	85.20	85.30	85.40	85.50	85.60	85.70	85.80	85.90	86.00	86.10	86.20	86.30	86.40	86.50	86.60	86.70	86.80	86.90	87.00	87.10	87.20	87.30	87.40	87.50	87.60	87.70	87.80	87.90	88.00	88.10	88.20	88.30	88.40	88.50	88.60	88.70	88.80	88.90	89.00	89.10	89.20	89.30	89.40	89.50	89.60	89.70	89.80	89.90	90.00	90.10	90.20	90.30	90.40	90.50	90.60	90.70	90.80	90.90	91.00	91.10	91.20	91.30	91.40	91.50	91.60	91.70	91.80	91.90	92.00	92.10	92.20	92.30	92.40	92.50	92.60	92.70	92.80	92.90	93.00	93.10	93.20	93.30	93.40	93.50	93.60	93.70	93.80	93.90	94.00	94.10	94.20	94.30	94.40	94.50	94.60	94.70	94.80	94.90	95.00	95.10	95.20	95.30	95.40	95.50	95.60	95.70	95.80	95.90	96.00	96.10	96.20	96.30	96.40	96.50	96.60	96.70	96.80	96.90	97.00	97.10	97.20	97.30	97.40	97.50	97.60	97.70	97.80	97.90	98.00	98.10	98.20	98.30	98.40	98.50	98.60	98.70	98.80	98.90	99.00	99.10	99.20	99.30	99.40	99.50	99.60	99.70	99.80	99.90	100.00
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fee of \$105 per annum

a. Preliminary figures. b. Australian currency. c. Dividend yield. d. Dividend yield based on the current market value of the share. e. Dividend yield based on the current market value of the share. f. Dividend yield based on the current market value of the share. g. Dividend yield based on the current market value of the share. h. Dividend yield based on the current market value of the share. i. Dividend yield based on the current market value of the share. j. Dividend yield based on the current market value of the share. k. Dividend yield based on the current market value of the share. l. Dividend yield based on the current market value of the share. m. Dividend yield based on the current market value of the share. n. Dividend yield based on the current market value of the share. o. Dividend yield based on the current market value of the share. p. Dividend yield based on the current market value of the share. q. Dividend yield based on the current market value of the share. r. Dividend yield based on the current market value of the share. s. Dividend yield based on the current market value of the share. t. Dividend yield based on the current market value of the share. u. Dividend yield based on the current market value of the share. v. Dividend yield based on the current market value of the share. w. Dividend yield based on the current market value of the share. x. Dividend yield based on the current market value of the share. y. Dividend yield based on the current market value of the share. z. Dividend yield based on the current market value of the share.

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U.S. attacked by Lardinois on farm trade

BY ROBIN REEVES

BRUSSELS, August 24.

AN ATTACK on the agricultural trade policy of the U.S. as a "one-way street" was made today by M. Pierre Lardinois, outgoing European Commissioner for Agriculture.

He said the Americans demanded free access for their farm exports but applied rigid protection against imports.

Speaking to the U.S. National Soybean Processors' Association in Monterey, California, Mr. Lardinois said in a speech released here: "You preach free trade when it comes to other people's internal markets but you practise rigid protection at home. For us Europeans, America has become the most protected farm market in the world."

Because of the U.S. attitude, an element of tension, of mistrust even, was creeping into Euro-American relations, he warned. "If this is not faced squarely, it could lead to some sort of rupture."

Common market farm exports were being shut out of one American market after another. "We have been kept out of your dairy market by a rigid system of quotas. We are being pushed out of the market for canned hams. We have been displaced almost completely in the beef market."

Retaliation

"The U.S. is threatening action against our dairy exports. New farm regulations are constantly threatening different minor products exported by the EEC to the U.S."

At the same time, the American administration lost no

Japan's ruling caucus demands new leaders

BY CHARLES SMITH, FAR EAST EDITOR

TOKYO, August 24.

A CAUCUS meeting of Japan's ruling Liberal Democratic Party's parliamentary membership this afternoon called for "a complete change" of party leadership.

A party split was narrowly averted when a meeting between Mr. Takeo Miki, Prime Minister, and his two main opponents, the Deputy Prime Minister Takeo Fukuda and the Finance Minister, Mr. Masayoshi Ohira, was adjourned without leading to the declaration of intra-party war widely expected.

Mr. Miki has been publicly urged to step down by other top leaders of the party as well as Mr. Fukuda and Mr. Ohira.

His numerical support within the party is now so weak that it is a foregone conclusion that a party caucus would vote in favour of his resignation if an explicit motion to this effect were put before it.

This afternoon's caucus meeting appeared to be preparing itself for precisely such a vote—depending on the outcome of the three-cornered Miki-Ohira-Fukuda meeting which was simultaneous in session.

The twist in the situation is that the Prime Minister's virtual powerlessness within his own party contrasts with a fairly high degree of support outside it.

The fear of provoking a final showdown explains why today's 80-minute summit meeting between Mr. Miki and his two opponents ended with a relatively tame agreement to continue discussions to-morrow instead of with a more dramatic conclusion.

The anti-Miki movement within the party has stopped short of steps which would actually force the Prime Minister out of office, apparently because of fear that if he is expelled from the Premiership he could leave the party and take a sizeable number of his personal followers with him.

Urgent Bill

If a compromise does emerge at to-morrow's resumed summit, it will probably take the form of Mr. Miki giving an undertaking to step down from the leadership at some date in the not-too-distant future, in return not to force him out of office and to let the Government get on with its current legislative programme.

Mr. Miki is anxious to call the Diet into extraordinary session quickly to pass urgently needed Bills authorising the issue of bonds to bridge the Government's Budget gap. He claims that the need for such legislation

is more urgent than the party leadership struggle.

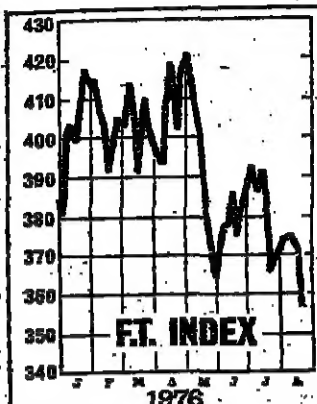
He has declared his determination to lead the party into the General Election which is constitutionally due this winter, but he may, conceivably, be persuaded, back down from this resolution if a way can be found for him to make an honourable exit from office some time before the end of the year. That might involve his remaining as Prime Minister until after the 50th anniversary of the Emperor's accession is celebrated in October.

Mr. Miki is credited with having got to the bottom of the Lockheed scandal and with being sufficiently courageous to allow the arrest of a former Prime Minister, Mr. Kakuei Tanaka, despite pressures from inside the party, to arrange a cover-up.

Mr. Miki has come under particularly strong attack during the past few days from members of the LDP faction formerly led by Mr. Tanaka. There have even been rumours that Mr. Tanaka himself—was released on bail this week—has been helping to organise the campaign against the Premier. All this contributes to an explosive mixture which could detonate at any moment with potentially fatal consequences for the ruling party.

THE LEX COLUMN Equities tipped off balance

Index fell 4.4 to 357.0



At around this stage of a normal economic cycle the equity market tends to be balanced between two roughly equal sets of forces. On the one side the expanding economy promises higher activity and profits and a mood of greater confidence among investors at large. On the other, increasing competition for credit pushes up interest rates, and a deteriorating trade balance puts pressure on sterling and brings fears of Government restraint.

What seems to have unsettled equities is that this normal balance is lacking. A sluggish economic upturn—as indicated by recent industrial production and now unemployment figures—is further threatened by the drought. Yet the financial pressures are still building up according to previous cyclical patterns—that much is implied by the money supply. In the slightly longer term monetary strains should in fact be eased if GDP growth proves tardy. But the Government's economic policies are looking increasingly untenable.

Engineering

Apart from being roughly similar sized, engineering companies and arch rivals in the pump market, Weir Group, and Mather and Platt have more in common than meets the eye.

After a decade of minimal profit growth, Weir doubled its profits last year, principally by loss elimination, and now Mather and Platt is wielding a similar axe to improve its historically dull profit record. Leaving out a recent Saudi Arabian order for a \$40m. desalination plant, Weir's order position is unchanged over the last six months while Mather and Platt's 19 per cent. rise in orders reflects the new pricing policies more than any underlying improvement.

The state of both companies' order books give few clues of any real recovery in the engineering industry cycle. Leaving out a recent Saudi Arabian order for a \$40m. desalination plant, Weir's order position is unchanged over the last six months while Mather and Platt's 19 per cent. rise in orders reflects the new pricing policies more than any underlying improvement.

Leonard Fairclough's interim profits take account of "substantial" losses at Sir Lindsay Parkinson and are up from £1.8m. to £2.4m. pre-tax. So with Parkinson likely to get close to break even for the year as a whole—a clutch of local authority "problem" contracts have now been whittled down from 18 to 6—profits in 1976 should emerge in the region of £8m., against £4.9m. last time.

Fairclough acquired Parkinson two years ago and made below the line provisions of

£11m. against the profit of 1975; there are not going any further provisions in Parkinson could be a profit in 1977. In the case next year's picture should stay healthy. Order books at present unchanged on levels but Fairclough good workload in hand, overseas operations may contribute something. Balance sheet cash and four-fifths of a market station of £11m. but financing explains much liquidity. The shares a quarter below their 1975 at 163p where the profit is 8.8 per cent.

Pilkington/UKO

A decision by the Fair Trading on when refer the Pilkington UKO International Monopolies Commission not certain before the extension is, however, a new defence circuit. The pumps side has been hit by cancellation at Swan UKO adds little to its arguments, the weak remaining the gap between 5.9 per cent. Consequently the market price of 14 £166,000 from its associates for the bulk of its 9.2 per cent. rise at pre-tax to £34m.

The state of both companies' order books give few clues of any real recovery in the engineering industry cycle. Leaving out a recent Saudi Arabian order for a \$40m. desalination plant, Weir's order position is unchanged over the last six months while Mather and Platt's 19 per cent. rise in orders reflects the new pricing policies more than any underlying improvement.

British Land

The figure of £205 British Land's overall last March 31 given here did not allow for permitted adjustments purposes of its borrowings. These adjustments, minority interests and liabilities, reduced the debt total to £197m. Towing limit imposed trust deed constituting per cent. unsecured loss is four times capital serves. According to the auditors Binder recent property revaluation incorporated in the capital reserves from £98.2m. to £52.6m. including a £3m. in the dealing subsides the latter basis the borrowing limit would over £210m.

New peace hope for junior doctors

BY KEVIN DONE, INDUSTRIAL STAFF

A SOLUTION to the protracted junior doctors' dispute appeared possible last night after a four-hour meeting between Mr. David Ennals, Secretary of State for Social Services, and leaders of the country's 18,000 junior doctors.

Mr. Ennals said last night that sufficient progress had been made in the meeting for the doctors to call the executive of the Hospital Junior Staffs Committee together for talks to-day to consider new proposals made during last night's discussions.

Last week the juniors threatened to take 24-hour strike action next Tuesday unless a "fair solution" to their dispute was achieved. They feel that the Government has broken an agreement made earlier this year to pay overtime rates during holiday periods or during leave.

The executive will meet to-day at the Department of Health and Social Security where it is understood Mr. Ennals will be available for any further contact. The Minister refused to disclose details of the new proposals last night, but said that no new money was involved, and that any agreement would be within the pay code. He said he remained hopeful that a solution could be achieved.

Continued from Page 1

Jobless

employment is complicated not only by the continuing shock in the labour market which can still be taken up by increased overtime but also by discrepancies in the trends of employment and unemployment.

This may be partly explained by variations in the proportion of those out of work registering as unemployed—this percentage appears to have increased, particularly for women.

Sometimes paradoxically, both female employment and unemployment have increased over the last two years with a narrowing of the gap between the percentage rate of male and female unemployment.

Women have accounted for two-thirds of the overall rise in the number out of work over the past three months.

The total number of unemployed aged under 60 out of work for more than four weeks (thus excluding those between jobs and near retirement age) tended to stabilise earlier in the summer but has risen by 135,000 in 11m. over the last month.

The number of unemployed school-leavers has fallen by 5,000 as a result of a final 45,000 joining the register and 50,000 leaving.

The present total of 203,000 compares with 168,000 a year ago and is still about one-third of those who have left school this summer.

The figure should, however, decline as school-leavers take up agreed jobs this autumn and the recruitment season begins, although those left unemployed by the winter could still be higher than a year ago.

Weather

U.K. TO-DAY
MOSTLY hot, some mist and thundery showers.
London area, Midlands, N.W. Cent. N. England, Lake District. Mainly sunny. Wind S.E., light. Hot. Max. 28C (82F).
S.E. England, E. Anglia, Cent. S., N.E. England, Borders, Edinburgh, Dundee, Aberdeen. Fog on coasts, sunny. Wind S.E., light. Very warm. Max. 28C (79F). Cooler on coasts.
Channel Islands, S.W. England, Wales, Isle of Man, N. Ireland. Hill and coastal fog, cloudy at times, isolated thundery showers. Wind S.E., light. Warm. Max. 28C (79F). Cooler on coasts.
S.W. Scotland, Glasgow, Cent. Highlands, Moray Firth. Dry and sunny. Wind variable, mainly S.E., light. Very hot. Max. 28C (79F).
N.E. Scotland, Orkney, Shetland. Cloudy. Sea and coast fog. Wind variable. Light. Warm. Max. 17C (63F).
Ayrish, N.W. Scotland. Sunny periods. Wind variable. Light. Hot. Max. 24C (75F). Cooler on coasts.

BUSINESS CENTRES			
	Mon	Tue	Wed
Amsterdam	24	25	26
Antwerp	24	25	26
Bombay	24	25	26
Brussels	24	25	26
Calcutta	24	25	26
Canton	24	25	26
Cebu	24	25	26
Hankow	24	25	26
Hong Kong	24	25	26
Kobe	24	25	26
London	24	25	26
Lyons	24	25	26
Manila	24	25	26
Medan	24	25	26
Shanghai	24	25	26
Singapore	24	25	26
Sourabaya	24	25	26
Tientsin	24	25	26
Yokohama	24	25	26

Burmah Oil denies bribes

BY JOHN WYLES, SHIPPING CORRESPONDENT

BURMAH OIL last night denied any knowledge of payment of bribes in connection with its liquefied natural gas contracts, following the publication of fresh newspaper allegations.

These appeared yesterday in the Japanese daily Yomiuri, coinciding with the presence in Tokyo of Burmah's managing director Mr. Stanley Wilson and his fellow director, Mr. Campbell Anderson.

In a statement yesterday Mr. Wilson said the newspaper carried a "grossly distorted" account of an approximate £900m. (£1.74m.) pay-off was made by Burmah Oil to high shipping officials in Japan in connection with the LNG transportation agreement from Indonesia to Japan.

Referring to a New York Times article published last Thursday which mentioned allegations of improper payments to Indonesian generals, Mr. Wilson said the newspaper said had not been specifically denied by Burmah. Mr. Wilson went on to say that Burmah Oil is "absolutely not involved in any bribery or improper payments of any kind."

Indonesia's general allegations which the newspaper said had not been specifically denied by Burmah. Mr. Wilson went on to say that Burmah Oil is "absolutely not involved in any bribery or improper payments of any kind."

Embarrassed
Burmah executives are becoming increasingly embarrassed by such reports, whose timing they believe to be more than coincidental. Mr. Wilson and Mr. Anderson are negotiating now with Japanese gas interests the contract for the supply of natural gas by Pertamina, the Indonesian State oil company.

Burmah has a charter from Pertamina to supply at least five ships to transport the gas. It is understood that the negotiations, which also involve Pertamina officials, are aimed at obtaining higher prices for the shipments to help cover the increased costs of transport and ships since the deal was made three years ago.

The ships are being built at a cost of more than \$800m. by the U.S. company General Dynamics, which joined with Burmah last week in denying New York Times allegations that improper applications had been made for Federal shipbuilding credit guarantees to help cover the cost of the ships.

General Dynamics yesterday issued another statement denying reports in the same newspaper that senior executives had been trading in the company's stock on the basis of inside information. Mr. David Lewis, General Dynamics chairman and one of those implicated by the report, said that the stock had been acquired through employee savings plans, held for the required period and then sold to repay loans taken to purchase the stock initially. Some 85 per cent. of the stock had been sold to other directors of the company.

be expensive. A pipeline to transfer 8m. gallons a day would cost about £100,000 a mile.

From 8 a.m. to-day the Department of the Environment will man an Operational Centre to provide information on the drought and to handle inquiries from industry and private consumers. The telephone number is 01-212 4591 and the centre will be open from 8 a.m. to 8 p.m. daily.

John Edwards, Commodities Editor, writes: Mr. Fred Peart, Minister of Agriculture, said that the Ministerial meeting had agreed not to take an immediate decision on devaluation of the Green 2. He added, however, that the Green 2 was under review all the time.

The Minister refused to be drawn further on the subject of the Green 2—a hot political issue. Any devaluation would mean a rise in the cost of food in the shops.

Continued from Page 1

Drought 'not critical'

imposition of 50 per cent. water cuts to industry, it was estimated that 70 per cent. of companies in south-east Wales would not find their production seriously impeded.

Mr. Howell gave this picture of the water situation: "The Government regards the present situation as serious but not yet critical. It is our intention that by the redeployment of resources as far as is practicable, and by sensible restrictions, to maintain the life of the country as near to normality as possible."

"We would like the country to bear in mind that if we have the average rainfall for the winter months (18 inches in England and 30 inches in Wales) this will be insufficient to prevent a serious situation next summer in certain localities. Therefore we cannot afford to take any chances. Nor do we intend doing so."

Mr. Howell's responsibilities will also embrace schemes to augment water supplies. They will include new bore holes, the deepening of existing bore holes, the more extensive use of poor quality water pumped out of the coal mines for industrial cooling and processing, new water pipelines to make emergency connections between areas, and the shipment of bulk cargoes of water by sea tanker.

The Government is to study the possibility of using tankers to transport water by sea from the North Wales reservoirs to South Wales. The drought in Northamptonshire might be relieved by temporarily reversing the eastwards flow of the river Ouse. The plan is to fill up the large reservoir at Grafham Water.

Several pipeline plans are being considered. But they will shops.

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